John laing

making infrastructure happen

JOHN LAING GROUP PLC

Prospectus

January 2015

This document comprises a prospectus (the "Prospectus") for the purposes of Article 3 of European Union Directive 2003/71/EC, as amended (the "Prospectus Directive") relating to John Laing Group plc (the "Company") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the "FCA") made under section 73A of the Financial Services and Markets Act 2000 (the "FSMA"). The Prospectus will be made available to the public in accordance with the Prospectus Rules.

Application has been made to the FCA for all of the ordinary shares of the Company (the "Shares") issued and to be issued in connection with the Offer to be admitted to the premium listing segment of the Official List of the FCA and to London Stock Exchange plc (the "London Stock Exchange") for all of the Shares to be admitted to trading on the London Stock Exchange's main market for listed securities (together, "Admission"). Conditional dealings in the Shares are expected to commence on the London Stock Exchange on 12 February 2015. It is expected that Admission will become effective, and that unconditional dealings in the Shares will commence on 17 February 2015. **All dealings before the commencement of unconditional dealings will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned. No application is currently intended to be made for the Shares to be admitted to listing or dealt with on any other exchange. The new Shares issued by the Company will rank pari passu in all respects with the existing Shares.**

The directors of the Company, whose names appear on page 48 of this Prospectus (the "Directors"), and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors and the Company (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information.

Prospective investors should read this Prospectus in its entirety. See "Risk Factors" in Part 1 for a discussion of certain risks and other factors that should be considered prior to any investment in the Shares.

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John Laing Group plc

(Incorporated under the Companies Act 1985 and registered in England and Wales with registered number 5975300 and re-registered as a public limited company under the Companies Act 2006)

Offer of up to 220,153,846 Shares of 10 pence each
at an Offer Price expected to be between 195 pence and 245 pence per Share
and admission to the premium listing segment of the Official List
and to trading on the London Stock Exchange

Joint Global Co-ordinators, Joint Bookrunners and Joint Sponsors

Barclays **HSBC**

Lead Manager

RBC Capital Markets

Financial Adviser

Greenhill

ORDINARY SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION
(assuming that the Offer Price is set at the mid-point of the Price Range)

Issued and fully paid	
Number	**Nominal Value**
359,318,182	10 pence

The Company is offering such number of new shares (the "New Shares") under the Offer so as to raise gross proceeds of £130 million. Henderson Infrastructure Holdco (Jersey) Limited (the "Selling Shareholder") is offering such number of existing shares (the "Existing Shares") under the Offer so as to achieve a free float (being the percentage of Shares held by persons other than the Selling Shareholder, the Non-Executive Directors and Senior Management upon Admission) of at least 30 per cent. Assuming the Offer Price is set at the mid-point of the Price Range, that the Company issues sufficient New Shares to raise gross proceeds of £130 million, that the Selling Shareholder sells a sufficient number of Existing Shares to achieve a free float of 45 per cent. and that the Over-allotment Option is not exercised, the Selling Shareholder will receive gross proceeds of £225.7 million. The Company will not receive any proceeds in connection with the sale of the Existing Shares, all of which will be paid to the Selling Shareholder.

The Price Range has been set by the Company and the Selling Shareholder. The New Share Offer Size Range has been set by the Company. The Existing Share Offer Size Range has been set by the Selling Shareholder. It is currently expected that the Offer Price, the New Share Offer Size and the Existing Share Offer Size will be set within the Price Range, the New Share Offer Size Range and the Existing Share Offer Size Range, respectively. The Price Range is indicative only and may change during the course of the Offer, and the Offer Price may be set within, above or below the Price Range. All Shares subject to the Offer will be issued or sold at the Offer Price, which will be determined by the Company and the Selling Shareholder in consultation with the Joint Global Co-ordinators, following a bookbuilding process. A number of factors will be considered in determining the Offer Price, the Share Offer Size and the basis of allocation, including the level and nature of demand for the Shares during the bookbuilding process, the level of demand in the Intermediaries Offer, prevailing market conditions and the objective of establishing an orderly after-market in the Shares, as well as the Company's historical performance, estimates of its business potential and earnings prospects, an assessment of the Company's management and consideration of these factors in relation to the market valuation of companies in related businesses. See Part 13 "Details of the Offer" for further information.

Unless required to do so by law or regulation, the Company does not envisage publishing a supplementary prospectus or an announcement triggering the right to withdraw applications for Shares pursuant to section 87Q of FSMA on determination of the Offer Price, the New Share Offer Size or the Existing Share Offer Size. If the Offer Price is set within the Price Range and the New Share Offer Size and Existing Share Offer Size are set within the New Share Offer Size Range and Existing Share Offer Size Range, respectively, a pricing statement containing the Offer Price and confirming the number of Shares which are comprised in the Offer (the "Pricing Statement") and related disclosures are expected to be published on or about 12 February 2015 and will be available on the Company's website at www.laing.com. If (i) the Offer Price is set above the Price Range or the Price Range is revised higher; (ii) the number of New Shares to be issued by the Company is set above or below the New Share Offer Size Range; and/or (iii) the number of Existing Shares to be sold by the Selling Shareholder is set above or below the Existing Share Offer Size Range, the Company would make an announcement via a Regulatory Information Service and prospective investors would have a statutory right to withdraw their application for Shares pursuant to section 87Q of FSMA. In such circumstances, the Pricing Statement would not be published until the period for exercising such withdrawal rights has ended. Therefore, the expected date of publication of the Pricing Statement would be extended. The arrangements for withdrawing offers to subscribe for or purchase Shares would be made clear in the Company's announcement.

In connection with the Offer, Barclays Capital Securities Limited, as Stabilising Manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect other stabilisation transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. The Stabilising Manager is not required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilising Manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilisation, if commenced, may be discontinued at any time without prior notice. Except as required by law or regulation, neither the Stabilising Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Offer.

In connection with the Offer, the Stabilising Manager may, for stabilisation purposes, over-allot Shares up to a maximum of 15 per cent. of the total number of Shares comprised in the Offer. For the purposes of allowing the Stabilising Manager to cover short positions resulting from any such over-allotments and/or from sales of Shares effected by it during the stabilising period, it is expected that HPC Nominees Limited will grant the Stabilising Manager the Over-allotment Option, pursuant to which the Stabilising Manager may purchase or procure purchasers for additional Shares up to a maximum of 15 per cent. of the total number of Shares comprised in the Offer (the "Over-allotment Shares") at the Offer Price. The Over-allotment Option will be exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of conditional dealings of the Shares on the London Stock Exchange. Any Over-allotment Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with the Shares, including for all dividends and other distributions declared, made or paid on the Shares, will be purchased on the same terms and conditions as the Shares being issued or sold in the Offer and will form a single class for all purposes with the other Shares.

In making any investment decision, each investor must rely on its own examination, analysis and enquiry of the Company and the terms of the Offer, including the merits and associated risks. Investors should rely only on the information contained in this Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Selling Shareholder or any of the Banks (as defined below).

Without prejudice to any legal or regulatory obligation of the Company to publish a supplementary prospectus pursuant to section 87G of FSMA and paragraph 3.4 of the Prospectus Rules, neither the delivery of this Prospectus nor any purchase of Shares made pursuant to it will, under any circumstances, create any implication that there has been no change in the affairs of the Company and the Group since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus.

None of the Company, the Selling Shareholder or any of the Banks, or any of their respective representatives, is making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

The contents of this Prospectus are not to be construed as investment, legal, financial, business or tax advice. Prospective investors should consult their own investment, legal, business, financial or tax adviser for investment, legal, business, financial or tax advice.

Each of Barclays Bank PLC, HSBC Bank plc and RBC Europe Limited (trading as RBC Capital Markets) (together, the "Underwriters") and Barclays Capital Securities Limited (together with the Underwriters, the "Banks"), authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority in the United Kingdom, and Greenhill & Co. International LLP (the "Financial Adviser") authorised and regulated by the FCA in the United Kingdom is acting exclusively for the Company and no one else in connection with the Offer. None of the Banks will regard any other person (whether or not a recipient of this Prospectus) as a client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for the giving of advice in relation to the Offer or any transaction, matter, or arrangement referred to in this Prospectus. Apart from the responsibilities and liabilities, if any, which may be imposed on the Banks and/or the Financial Adviser by FSMA or the regulatory regime established thereunder or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Banks nor the Financial Adviser nor any of their respective affiliates accepts any responsibility whatsoever for the contents of this Prospectus including its accuracy, completeness and verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Shares or the Offer. Each of the Banks, the Financial Adviser and each of their respective affiliates accordingly disclaim, to the fullest extent permitted by applicable law, all and any liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise be found to have in respect of this Prospectus or any such statement. No representation or warranty express or implied, is made by any of the Banks, the Financial Adviser or any of their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this Prospectus, and nothing in this Prospectus will be relied upon as a promise or representation in this respect, whether or not to the past or future.

In connection with the Offer, the Banks and any of their respective affiliates acting as an investor for its or their own account(s) may purchase Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities, any other securities of the Company or other related investments in connection with the Offer or otherwise. Accordingly, references in this Prospectus to the Shares being offered, sold or otherwise dealt with should be read as including any offer to purchase or dealing by the Banks or any of them and any of their affiliates acting as an investor for its or their own account(s). In addition, certain of the Banks and any of their respective affiliates may in the ordinary course of their business activities enter into financing arrangements (including swaps) with investors in connection with which such Banks (or their affiliates) may from time to time acquire, hold or dispose of Shares. The Banks do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Each of the Banks and their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company and/or the Selling Shareholder for which they would have received customary fees. Each of the Banks and their respective affiliates may provide such services to the Company and/or the Selling Shareholder and any of their respective affiliates in the future.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

The Company consents to the use of the Prospectus by the Intermediaries (listed in paragraph 18 of Part 14 "Additional Information", together with any other intermediary (if any) that is appointed by the Company in connection with the Intermediaries Offer after the date of this document) in connection with the Intermediaries Offer in the United Kingdom, the Channel Islands and the Isle of Man on the following terms: (i) in respect of Intermediaries who are appointed by the Company prior to the date of this document, from the date of this document and (ii) in respect of Intermediaries who are appointed by the Company after the date of this document, from the date on which they are appointed to participate in the Intermediaries Offer and agree to adhere to and be bound by the terms and conditions on which each Intermediary has agreed to be appointed by the Company to act as an Intermediary in the Intermediaries Offer and pursuant to which Intermediaries may apply for Shares in the Intermediaries Offer, details of which are set out in paragraph 18.1.3 of Part 14 "Additional Information" ("Intermediaries Terms and Conditions"), in each case until the closing of the Intermediaries Offer. The Company accepts responsibility for the information contained in the Prospectus with respect to any purchaser of or subscriber for Shares (including, following subsequent resales or final placement of Shares as part of the Intermediaries Offer, with respect to retail investors) pursuant to the Offer.

Any Intermediary that uses the Prospectus must state on its website that it uses this document in accordance with the Company's consent. Intermediaries are required to provide, at the time of such offer, a copy of this Prospectus (or a hyperlink from which this Prospectus may be obtained) and the terms and conditions of the Intermediaries Offer to any prospective investor who has expressed an interest to such Intermediary in participating in the Intermediaries Offer. Any application made by investors to any Intermediary is subject to the terms and conditions which apply to the transaction between such investor and such Intermediary.

Notice to overseas shareholders

The Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "US Securities Act"). In addition, the Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the "US Investment Company Act"), and related rules. In the United States, the Offer is being made only to persons who are both: (i) qualified institutional buyers ("QIBs"), in reliance on Rule 144A under the US Securities Act ("Rule 144A") and (ii) qualified purchasers ("QPs"), as defined in Section 2(a)(51) of the US Investment Company Act. Purchasers in the United States or who are US persons will be required to execute and deliver a US Investment Letter set forth in Appendix A. Prospective investors that are QIBs are hereby notified that the sellers of the Shares may be relying on the exemption from the provisions of section 5 of the US Securities Act provided by Rule 144A. Outside the United States, the Offer is being made to institutional investors in reliance on Regulation S under the US Securities Act ("Regulation S"). No actions have been taken to allow a public offering of the Shares under the applicable securities laws of any jurisdiction, including Australia, Canada or Japan. Subject to certain exceptions, the Shares may not be offered or sold in any jurisdiction, or to or for the account or benefit of any national, resident or citizen of any jurisdiction, including Australia, Canada or Japan. This Prospectus does not constitute an offer of, or the solicitation of an offer to subscribe for or purchase any of the Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

The Shares have not been and will not be registered under the applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Shares may not be offered or sold in any jurisdiction, or to or for the account or benefit of any national, resident or citizen, in Australia, Canada or Japan. The Shares have not been recommended by any US federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The distribution of this Prospectus and the offer and sale of the Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company, the Selling Shareholder, the Banks or the Financial Adviser to permit a public offering of the Shares under the applicable securities laws of any jurisdiction. Other than in the United Kingdom, no action has been taken or will be taken to permit the possession or distribution of this Prospectus (or any other offering or publicity materials relating to the Shares) in any jurisdiction where action for that purpose may be required or where doing so is restricted by law. Accordingly, neither this Prospectus, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Prospective investors should note that the Shares may not be acquired by investors using assets of any employee benefit plan or plan that is subject to Part 4 of Title 1 of the US Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder ("ERISA"), or Section 4975 of the US Internal Revenue Code of 1986, as amended (the "Tax Code"). For further details see "ERISA Considerations" in Part 13 "Details of the Offer". Any plan, account or other arrangement that is subject to laws and regulations that are substantially similar to the provisions of Title I of ERISA or Section 4975 of the Tax Code and which contain rules pursuant to which the underlying assets of the Company could be deemed to include "plan assets" by reason of investment of the Company by any such plan, account or arrangement should consider the advisability of its investment in the Shares.

Notice to "covered banking entities"

The Company is a "covered fund" for the purposes of the "Volcker Rule" contained in the Dodd-Frank Act (Section 619: Prohibitions on Proprietary Trading and Certain Relationships with Hedge Funds and Private Equity Funds). Accordingly, entities that may be "covered banking entities" for the purposes of the Volcker Rule, including, without limitation, non-US banks with a banking presence in the United States, may be restricted from holding the Company's securities and should take specific advice before making an investment in the Company.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421 B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA 421 B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421 B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE OR CAUSE TO BE MADE TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Available information

For so long as any of the Shares are in issue and are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act, the Company will, during any period in which it is not subject to section 13 or 15(d) under the US Securities Exchange Act of 1934, as amended (the "US Exchange Act"), nor exempt from reporting under the US Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of a Share, or to any prospective purchaser of a Share designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the US Securities Act.

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SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A-E (A.1 - E.7).This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A—Introductions and warnings		
Element	**Disclosure Requirement**	**Disclosure**
A.1	Warning	This summary should be read as an introduction to the prospectus. Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor. Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, and applied its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Consent for Intermediaries	The Company consents to the use of the Prospectus in connection with the Intermediaries Offer for distribution by the Intermediaries to persons located in the United Kingdom, the Channel Islands and the Isle of Man on the following terms: (i) in respect of Intermediaries who are appointed by the Company on or prior to the date of the Prospectus, from the date of the Prospectus and (ii) in respect of Intermediaries who are appointed by the Company after the date of the Prospectus, from the date on which they are appointed to participate in the Intermediaries Offer and agree to adhere and be bound by the terms of the Intermediaries Terms and Conditions, in each case until the closing of the Intermediaries Offer. Prospective retail investors interested in participating in the Intermediaries Offer should apply for Shares through the Intermediaries by following their relevant application procedures by no later than 10 February 2015. **Intermediaries are required to provide, at or prior to the time of such offer, a copy of this Prospectus (or a hyperlink from which the Prospectus may be obtained) and the terms and conditions of the Intermediaries Offer to any prospective investor who has expressed an interest to such Intermediary in participating in the Intermediaries Offer. Any application made by investors to any Intermediary is subject to the terms and conditions which apply to the transaction between such investor and such Intermediary. Any Intermediary that uses the Prospectus must state on its website that it uses this document in accordance with the Company's consent.**

Section B—Issuer		
Element	**Disclosure Requirement**	**Disclosure**
B.1	Legal and commercial name	John Laing Group plc (the "Company")
B.2	Domicile and legal form	The Company's registered office is in the United Kingdom. The Company was incorporated and registered in England and Wales on 23 October 2006 as a private company limited by shares under the Companies Act 1985 with the name Henderson Infrastructure Holdco (UK) Limited and with the registered number 5975300 and re-registered with the name John Laing Group plc as a public limited company under the Companies Act 2006 on 28 January 2015. The principal legislation under which the Company operates, and under which the New Shares will be created, is the Companies Act 2006.
B.3	Current operations and principal activities	John Laing is an originator, active investor and manager of international infrastructure projects. As at 30 September 2014, the book value of its investment portfolio ("Portfolio Book Value") (included within the "investments at fair value through profit or loss" line item in the Group's combined balance sheet) was £781 million (Gross Value: £1.1 billion) and the Group managed £965 million of assets on behalf of third parties. John Laing's business is focused on major transport, social and environmental infrastructure projects awarded under governmental public-private partnership ("PPP") programmes, and renewable energy projects, across a range of international markets including Asia Pacific, North America, Continental Europe and the United Kingdom. The Group originates and invests in greenfield infrastructure, and then actively manages its investments in projects through their construction phase. Once operational, the Group either continues to hold and actively manage its interests over the lifetime of the projects (usually up to 30 years) or sells its interests in the projects to secondary market investors (in which case, the Group will typically retain an asset management role). As at 30 September 2014, the Group had interests in a large, diversified portfolio comprising 44 infrastructure projects, with a Portfolio Book Value of £715 million (excluding the Group's 39.7 per cent. shareholding in JLEN valued at £66 million), comprising £373 million of investments in projects in the construction phase and £342 million in the operational phase. The Group has committed investments to 109 projects, thereby establishing itself as a leading name in its core international markets and chosen sectors. John Laing's business, which integrates origination, investment and asset management capabilities, is organised across three key areas of activity: • Primary investments: John Laing's primary investment activities involve sourcing and originating, bidding for and winning greenfield infrastructure projects, typically as part of a consortium for PPP projects. The Group classifies its interests in PPP and renewable energy projects which have yet to reach "financial close" (when contractual commitment, including financing, is made to a project), or have reached financial close but which are not yet operational, as its "primary investment portfolio". • Secondary investments: John Laing's secondary investment activities involve ownership of a substantial portfolio of interests in operational PPP and renewable energy projects. The Group classifies its investments in operational projects as its "secondary investment portfolio". Almost all of the Group's secondary investments were previously part of John Laing's primary investment portfolio.

		• Asset management: The Group actively manages its own primary and secondary investment portfolios and provides investment advice and asset management services to two listed funds (John Laing Infrastructure Fund Limited ("JLIF") and John Laing Environmental Assets Group Limited ("JLEN")) through its wholly owned and FCA-regulated subsidiary, John Laing Capital Management Limited ("JLCM"). As at 30 September 2014, JLCM's assets under management on behalf of third parties ("External AUM") were £965 million. One of the key characteristics of the Group's investments is the relative predictability of their cash flows given the structure of PPP contracts (typically, a Project Company's revenue is from a governmental or other public sector authority (a "Governmental Entity") based on the availability for use, or level of use, of the project's infrastructure asset) and the revenue regime of renewable energy projects (backed by government support mechanisms). John Laing aims to deliver predictable returns and consistent growth in the value of its primary and secondary investment portfolios, as well as the assets it manages on behalf of third party investors.
B.4a	Significant recent trends affecting the Group and the industry in which it operates	John Laing's activities are focused on major transport, social and environmental infrastructure projects awarded under governmental PPP programmes, and renewable energy projects. Infrastructure can be defined as the physical assets and systems that support a country or community. Infrastructure assets typically support services such as transportation, utilities, and communications and also cater to social needs such as housing, health and education. The development and modernisation of infrastructure usually requires significant initial investment and is essential to national economic growth. However, government procurement has not kept pace with the structural demand for infrastructure and the Directors believe that continued growth in investment will be required. • The OECD has indicated that total global infrastructure investment should amount to 4.1 per cent. of GDP from 2013 to 2030, while historical levels of investment have been 3.8 per cent. of GDP between 1992 and 2011 (source: McKinsey). This historical underinvestment has added pressure to the demand for infrastructure. • McKinsey estimates that between 1994 and 2012 approximately US$36 trillion was spent on infrastructure investment globally, but that investment of at least US$57 trillion is required between 2013 and 2030 (equivalent to at least US$3.4 trillion per annum). Over time, there has also been a steadily increasing trend for Governmental Entities to turn to the private sector to assist in the procurement of infrastructure, to help with financing, and to seek private sector expertise to manage and take long-term delivery risks. Private sector involvement in infrastructure typically comprises: (i) procurement models such as PPP where the core infrastructure asset reverts back to the Governmental Entity at the end of the contract, (ii) models with support mechanisms provided by Governmental Entities, for example, green certificates for renewable energy projects and (iii) other models not pursued by John Laing.

B.5	Group description	Prior to Admission, the Company is a non-trading and wholly owned subsidiary of Henderson Infrastructure Holdco (Jersey) Limited, which is wholly owned by two unlisted private equity funds (the "Henderson Funds") managed on a fully discretionary basis by Henderson Equity Partners, the private equity operation of Henderson Global Investors ("Henderson"). Upon Admission, the Company will be the holding company of John Laing Holdco Limited (formerly Henderson Infrastructure Holdco Limited ("HIHL"), the acquisition vehicle which acquired John Laing plc in 2007) and each of its subsidiary undertakings (including John Laing plc, renamed John Laing Limited on 28 January 2015). The terms "Group" and "John Laing" refer to the Company and its subsidiaries, save where specifically indicated otherwise. The term "Admission" refers to admission of the Shares to the premium listing segment of the Official List of the FCA (the "Official List") and to trading on the London Stock Exchange's main market for listed securities.
B.6	Major shareholders	As at the date of the Prospectus, the Company is owned and controlled indirectly by the Henderson Funds, which immediately prior to Admission hold, indirectly, 100 per cent. of the voting rights attached to the issued share capital of the Company. Immediately following Admission, it is expected that the Henderson Funds will hold indirectly 54.9 per cent. of the voting rights attached to the issued share capital of the Company, assuming no exercise of the Over-allotment Option and 48.2 per cent. assuming the Over-allotment Option is exercised in full (in each case assuming that the Offer Price is set at the mid-point of the Price Range, that the Company issues sufficient New Shares to raise gross proceeds of £130 million and that the Selling Shareholder sells a sufficient number of Existing Shares to achieve a free float of 45 per cent.). The Henderson Funds do not have and will not have different voting rights attached to the Shares they hold. Under the Relationship Agreement between, *inter alia*, the Henderson Funds and the Company, the Henderson Funds are entitled to appoint two Non-Executive Directors to the Board for so long as they and their associates are entitled to exercise or control the exercise of 30 per cent. or more of the voting rights attached to the share capital of the Company. The Relationship Agreement otherwise includes provisions customary to such type of agreement.
B.7	Combined historical financial information and narrative description of significant changes to financial condition and operating results of the Group	The Company meets the definition of an investment entity as set out in IFRS 10 Consolidated Financial Statements. Investment entities are required to account for all investments, including subsidiaries, associates and joint ventures, at fair value through profit or loss, except for those subsidiaries that provide services that relate to the investment entity's investment activities. Such subsidiaries are consolidated, rather than recorded at fair value through profit or loss. The selected financial information set out below has been extracted without material adjustment from the combined historical financial information relating to the Group.

1. Combined operations

	Nine months ended 30 September		Year ended 31 December		
	2014	**2013**	**2013**	**2012**	**2011**
		(unaudited)			
Continuing operations					
Dividend income	0.2	0.2	0.3	0.3	0.3
Net gain on investments at fair value through profit or loss	137.4	76.1	136.8	91.1	67.0
Other income	28.9	73.1	85.2	113.3	76.2
Operating income	**166.5**	**149.4**	**222.3**	**204.7**	**143.5**
Cost of sales	(0.3)	(35.6)	(37.9)	(44.8)	(43.0)
Gross profit	**166.2**	**113.8**	**184.4**	**159.9**	**100.5**
Administrative expenses	(45.6)	(47.2)	(63.8)	(68.1)	(58.3)
Other gains and losses	—	—	21.2	—	—
Profit from operations	**120.6**	**66.6**	**141.8**	**91.8**	**42.2**
Finance costs	(51.3)	(50.8)	(67.8)	(67.5)	(67.6)
Profit/(loss) before tax	**69.3**	**15.8**	**74.0**	**24.3**	**(25.4)**
Tax credit/(charge)	—	(0.1)	(2.3)	0.1	1.0
Profit from continuing operations	69.3	15.7	71.7	24.4	(24.4)
Discontinued operations					
(Loss)/profit from discontinued operations (after tax)	(0.2)	(1.9)	(1.3)	(2.1)	0.4
Profit/(loss) for the period attributable to the owner of the Company	**69.1**	**13.8**	**70.4**	**22.3**	**(24.0)**

2. Combined balance sheet data

	As at 30 September	As at 31 December		
	2014	**2013**	**2012**	**2011**
Non-current assets				
Intangible assets	0.9	1.3	2.9	3.4
Plant and equipment	1.4	2.2	3.8	0.9
Investments at fair value through profit or loss	842.2	745.0	635.5	581.8
Deferred tax assets	1.5	1.5	1.9	1.8
	846.0	**750.0**	**644.1**	**587.9**
Current assets				
Inventories—work in progress	—	—	0.2	0.1
Trade and other receivables	8.6	10.7	19.3	16.1
Cash and cash equivalents	2.9	2.3	6.5	6.6
	11.5	13.0	26.0	22.8
Assets classified as held for sale	—	0.6	4.7	3.0
Total assets	**857.5**	**763.6**	**674.8**	**613.7**
Current liabilities				
Interest-bearing loans and borrowings	(967.7)	(922.6)	(862.3)	(801.9)
Trade and other payables	(19.1)	(21.1)	(42.9)	(47.5)
	(986.8)	(943.7)	(905.2)	(849.4)
Liabilities directly associated with assets classified as held for sale	(9.1)	(9.8)	(10.5)	(6.8)
Net current liabilities	**(984.4)**	**(939.9)**	**(885.0)**	**(830.4)**
Non-current liabilities				
Retirement benefit obligations	(197.4)	(204.4)	(189.8)	(161.0)
Provisions	(2.1)	(0.2)	(3.1)	(7.2)
	(199.5)	(204.6)	(192.9)	(168.2)
Total liabilities	**(1,195.4)**	**(1,158.1)**	**(1,108.6)**	**(1,024.4)**
Net liabilities	**(337.9)**	**(394.5)**	**(433.8)**	**(410.7)**
Equity				
Share capital	—	—	—	—
Share premium	387.5	387.5	387.5	387.5
Accumulated loss	(725.4)	(782.0)	(821.3)	(798.2)
—retirement benefit obligations	(197.4)	(204.4)	(189.8)	(161.0)
—other reserves	(528.0)	(577.6)	(631.5)	(637.2)
Deficit attributable to owner of the Company	**(337.9)**	**(394.5)**	**(433.8)**	**(410.7)**

3. Combined cash flow statement

	Nine months ended 30 September		Year ended 31 December		
	2014	2013	2013	2012	2011
		(unaudited)			
Net cash outflow from operating activities	**(39.2)**	**(42.1)**	**(47.0)**	**(32.4)**	**(38.4)**
Investing activities					
Net cash transferred from investments held at fair value through profit or loss	40.2	40.4	27.3	37.4	32.9
Reduction/(increase) in other financial assets	—	2.8	2.9	(0.7)	2.5
Dividends received	0.2	0.2	0.3	0.3	0.3
Proceeds from disposal of subsidiaries, net of cash and disposal costs	—	(2.0)	9.3	—	—
Proceeds from disposal of investments, net of disposal costs	—	—	—	1.7	—
Purchase of computer software	—	—	—	(0.4)	—
Purchase of plant and equipment	—	(0.1)	(0.1)	(4.5)	(1.2)
Net cash from investing activities	**40.4**	**41.3**	**39.7**	**33.8**	**34.5**
Financing activities					
Interest paid	—	—	—	(0.7)	(0.8)
Proceeds from borrowings	—	0.8	0.8	—	—
Net cash from(/used in) financing activities	**—**	**0.8**	**0.8**	**(0.7)**	**(0.8)**
Net increase/(decrease) in cash and cash equivalents	**1.2**	—	**(6.5)**	**0.7**	**(4.7)**
Cash and cash equivalents at beginning of the period	**2.3**	**8.3**	**8.3**	**7.4**	**12.0**
Effect of foreign exchange rate changes	(0.6)	0.1	0.5	0.2	0.1
Cash and cash equivalents at end of period	**2.9**	**8.4**	**2.3**	**8.3**	**7.4**

Certain significant changes to the Group's financial condition and results of operations occurred during the nine months ended 30 September 2014 and the years ended 31 December 2013, 2012 and 2011. These changes are set out below.

The Group's net gain on investments increased by £61.3 million to £137.4 million for the nine months ended 30 September 2014, as compared to £76.1 million for the nine months ended 30 September 2013, and increased from £67.0 million for the year ended 31 December 2011 to £91.1 million for the year ended 31 December 2012 and to £136.8 million for the year ended 31 December 2013.

The Group's operating income increased by £17.1 million, or 11.4 per cent, to £166.5 million for the nine months ended 30 September 2014 from £149.4 million for the nine months ended 30 September 2013, and increased from £143.5 million for the year ended 31 December 2011 to £204.7 million for the year ended 31 December 2012 and to £222.3 million for the year ended 31 December 2013.

The Group's profit/(loss) before tax increased by £53.5 million to £69.3 million for the nine months ended 30 September 2014 from £15.8 million for the nine months ended 30 September 2013, and increased from a loss of £25.4 million for the year ended 31 December 2011 to a profit of £24.3 million for the year ended 31 December 2012 and to a profit of £74.0 million for the year ended 31 December 2013.

Since 30 September 2014, the Group has disposed of all of its interests in five projects and part of its interest in one project to a number of third party infrastructure investors, including JLIF, for a total cash impact of £71.2 million. Each of these disposals was achieved at or above the Book Value (as at 30 September 2014) of the respective project disposed. During that same period, the Group has made aggregate net investment commitments of £70.6 million in the form of an investment commitment in one new project and additional commitments to four existing projects.

As part of the Reorganisation, on 27 January 2015, the Group's shareholder loans were part waived and part capitalised. As a result, there are no shareholder loans on the Group's combined balance sheet subsequent to this date. The following table demonstrates the evolution of the Group's net asset value or net liabilities ("NAV") and Adjusted NAV (adjusted to eliminate shareholder loans) during the period under review:

	As at 30 September	**As at 31 December**		
	2014	**2013**	**2012**	**2011**
		(£ millions) **(unaudited)**		
Net liabilities	**(337.9)**	**(394.5)**	**(433.8)**	**(410.7)**
Adjustments:				
Amounts payable under shareholder loans to parent undertaking	967.7	922.6	862.3	801.9
Adjusted NAV	**629.8**	**528.1**	**428.5**	**391.2**

The Directors believe the Group's Adjusted NAV as at 31 December 2014 has increased since 30 September 2014. In addition, the Directors believe JLCM's External AUM have increased in line with continued portfolio acquisitions by JLIF, which the Group expects will contribute to increased asset management fees.

The Group continues to see attractive investment opportunities in its pipeline in both PPP and renewable energy and is budgeting to make investment commitments in aggregate of between £150 million and £200 million in 2015. The Group expects to report its results of operations and financial condition as at and for the year ended 31 December 2014 in March 2015.

B.8 Pro forma financial information

The unaudited combined pro forma statement of net assets set out below has been prepared to illustrate the effects of:

1) the Offer on the net assets of the Group, had the Offer taken place on 30 September 2014;

2) the Reorganisation (as defined in paragraph 1.11 of Part 14 "Additional Information") on the net assets of the Group, had the Reorganisation taken place on 30 September 2014;

3) the transfer of assets to JLPF (as described in paragraph 10.3 of Part 14 "Additional Information") had the transfer taken place on 30 September 2014; and

4) the refinancing of the Group's existing corporate banking facility with borrowings under the Group's new banking facilities (the "Facilities Agreement", as detailed in paragraph 10.7 of Part 14 "Additional Information") on the net assets of the Group, had the refinancing taken place on 30 September 2014.

The unaudited combined pro forma statement of net assets is based on the combined balance sheet of the Group as at 30 September 2014 contained in Section B of Part 11 "Combined Historical Financial Information". The unaudited combined pro forma statement of net assets has been prepared in a manner consistent with the accounting policies applied in preparing the Combined Historical Financial Information set out in Section B of Part 11, the basis set out in the notes below and in accordance with the requirements of items 1 to 6 of Annex II to the Prospectus Rules.

The unaudited combined pro forma statement of net assets has been prepared for illustrative purposes only, and by its nature addresses a hypothetical situation and, therefore, does not reflect the Group's actual financial position or results. It may not therefore give a true picture of the Group's financial position or results, nor is it indicative of the results that may or may not be achieved in the future.

Unaudited combined pro forma statement of net assets as at 30 September 2014:

	Combined net assets of the Group as at 30 September 2014	Net proceeds of the Offer	Reorganisation	Transfer of assets to JLPF	New banking facilities	Combined pro forma statement of net assets of the Group as at 30 September 2014
	£'000	**£'000** (note 4)	**£'000** (note 5)	**£'000** (note 6)	**£'000** (note 7)	**£'000**
Non-current assets						
Intangible assets	0.9	—	—	—	—	0.9
Plant and equipment	1.4	—	—	—	—	1.4
Investments at fair value through profit or loss	842.2	—	—	(100.0)	53.5	795.7
Deferred tax assets	1.5	—	—	—	—	1.5
	846.0	**—**	**—**	**(100.0)**	**53.5**	**799.5**
Current assets	8.6	—	—	—	—	8.6
Trade and other receivables . .	2.9	120.0		—		122.9
Cash and cash equivalents . . .	**11.5**	**120.0**	**—**	**—**	**—**	**131.5**
Total assets	**857.5**	**120.0**	**—**	**(100.0)**	**53.5**	**931.0**
Current liabilities						
Interest-bearing loans and borrowings	(967.7)	—	967.7	—	(53.5)	(53.5)
Trade and other payables . . .	(19.1)	—	—	—	—	(19.1)
Liabilities directly associated with assets classified as held for sale	**(986.8)**	**—**	**967.7**	**—**	**(53.5)**	**(72.6)**
	(9.1)	—	—	—	—	(9.1)
Net current assets/(liabilities) .	**(984.4)**	**120.0**	**967.7**	**—**	**(53.5)**	**49.8**
Non-current liabilities						
Retirement benefit obligations .	(197.4)	—	—	100.0	—	(97.4)
Provisions	(2.1)	—	—	—	—	(2.1)
	(199.5)	—	—	100.0	—	(99.5)
Total liabilities	**(1,195.4)**	**—**	**967.7**	**100.0**	**(53.5)**	**(181.2)**
Net (liabilities)/assets	**(337.9)**	**120.0**	**967.7**	**—**	**—**	**749.8**

Notes:

(1) The financial information as at 30 September 2014 has been extracted, without material adjustment, from the combined historical financial information as set out under in Section B of Part 11 "Combined Historical Financial Information".

(2) This combined pro forma statement of net assets does not constitute financial statements within the meaning of section 434 of the Companies Act 2006.

(3) No adjustment has been made to reflect the trading results of the Group since 30 September 2014 or any other change in its financial position in that period.

(4) As set out in paragraph 2 of Part 13 "Details of the Offer", the total net proceeds receivable by the Company from the Offer are estimated to be approximately £120.0 million, after deduction of underwriting commissions, other estimated offering-related fees, and other related expenses incurred by the Group of approximately £10.0 million.

(5) As part of the Reorganisation described in paragraph 1.11 of Part 14 "Additional Information", on 27 January 2015 the Group's shareholder loans (including interest accrued) were part waived and part capitalised.

(6) As described in paragraph 10.3 of Part 14 "Additional Information", the Group has entered into an agreement with the JLPF Trustee to make a contribution of £100 million, on Admission, to reduce the Group's outstanding pension liability and future contributions. This contribution will be satisfied by the transfer of certain of the Group's assets (including cash).

(7) As set out in paragraph 10.7 of Part 14 "Additional Information" the Company has entered into the Facilities Agreement which will be drawn down on Admission for the purpose of refinancing the existing corporate banking facility of the Group that is held by John Laing plc. John Laing Group plc will recognise short term cash borrowings under the new facilities within "Interest-bearing loans and borrowings" rather than within "Investments at fair value through profit or loss".

B.9	Profit forecast	Not applicable. There is no profit forecast or estimate.
B.10	Description of the nature of any qualifications in the audit report on the combined historical financial information	Not applicable. There are no qualifications to the accountant's report on the combined historical financial information.
B.11	Insufficient working capital	Not applicable. In the opinion of the Company, taking into account the net proceeds receivable by the Company from the Offer, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months following the date of this Prospectus.

Section C—Securities		
Element	**Disclosure Requirement**	**Disclosure**
C.1	Type and class of securities	The Company will have one class of shares—ordinary shares of 10 pence each (the "Shares"). When admitted to trading, the ordinary shares of the Company (the "Shares") will be registered with ISIN number GB00BVC3CB83 and SEDOL number BVC3CB8. The Shares will, on Admission, comprise the entire issued and to be issued ordinary share capital of the Company.
C.2	Currency	United Kingdom pounds sterling.
C.3	Issued share capital	As at the date of this Prospectus, the issued share capital of the Company is £30,000,000, comprising 300,000,000 Shares of 10 pence each (all of which were fully paid or credited as fully paid). On Admission, there will be up to 366,923,077 Shares of 10 pence each in issue. The exact number of Shares that will be in issue on Admission is dependent on the Offer Price (which will determine the number of New Shares to be issued by the Company pursuant to the Offer) and will be set out in a pricing statement (the "Pricing Statement"), which is expected to be published on or about 12 February 2015 and will be available on the Company's website at www.laing.com. All Shares in issue on Admission will be fully paid.
C.4	Description of the rights attaching to the securities	The rights attaching to the Shares will be uniform in all respects and they will form a single class for all purposes, including with respect to voting and for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company. On a show of hands every Shareholder who is present in person shall have one vote and on a poll every Shareholder present in person or by proxy shall have one vote per Share. Except as provided by the rights and restrictions attached to any class of shares, Shareholders will under general law be entitled to participate in any surplus assets in a winding up in proportion to their shareholdings.
C.5	Restrictions on the free transferability of the securities	There are no restrictions on the free transferability of the Shares.
C.6	Admission	Application has been made to the FCA for all of the Shares, issued and to be issued, to be admitted to the premium listing segment of the Official List of the FCA and to the London Stock Exchange for such Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

C.7	Dividend policy	The Board intends to distribute to shareholders a sustainable dividend, reflecting the underlying performance and cash flow dynamics of the Group's business. The Board intends to pay a base dividend of £20 million for the financial year ending 31 December 2015, reduced pro rata for the period from the date of Admission. Going forward, the Board intends to adopt a progressive base dividend policy targeting growth at least in line with inflation. The Board also intends to distribute special dividends of approximately 5 to 10 per cent. of gross proceeds from the sale of investments on an annual basis, subject to specific investment requirements in any one year. Although the Board's intention is to pay the additional distributions through special dividends, it may consider the use of share buy-back authority or other capital distribution methods as appropriate. The Board intends to pay interim base dividends in October of the relevant financial year and final base dividends in May of the following financial year along with any special dividend. Interim base dividends will be paid as approximately one-third of the previous financial year's total base dividend. Following the Offer, the first interim base dividend will be paid as approximately one-third of the base dividend for the financial year ending 31 December 2015, pro rata for the period from the date of Admission.

Section D—Risks

Element	Disclosure Requirement	Disclosure
D.1	Key information on the key risks specific to the issuer and its industry	Changes to legislation or public policy in the jurisdictions in which the Group operates could impact negatively the volume of potential opportunities available to the Group and the returns from existing opportunities. Many of John Laing's infrastructure investments are structured through PPP frameworks. The use of PPP programmes by Governmental Entities in the countries in which the Group operates or may wish to operate may decrease, as a result of general economic conditions, changes in interest rates, fiscal pressures arising from public sector deficits, changes in governmental policy or otherwise, which would be likely to have an adverse effect on the Group's business as the Group may be unable to secure new investments, maintain its targeted volume of investment opportunities or achieve its targeted rates of return on its potential future infrastructure investments. Additionally, changes to legislation or public policy related to renewable energy could impact negatively the economic returns on the Group's investments in renewable energy projects, which would adversely affect the demand for and attractiveness of such projects. At present, the economic returns on many of the Group's investments in renewable energy projects are dependent in part on government support mechanisms, tax credits and exemptions in the jurisdictions in which the Group operates, which encourage uptake of renewable energy technologies. If feed-in-tariffs and other incentives designed to benefit the renewable energy industry were to be reduced or emission reduction and carbon reduction policies were to be changed, the Group's economic returns from renewable energy projects as well as the demand for and attractiveness of such projects could be adversely affected.

		The Group's investment pipeline is not a guarantee of actual bidding activity or future investments. The Group's investment pipeline comprises specifically identified projects that are expected to be procured or be available in the near term, and such pipeline as at a specific date may change at any time as opportunities at any stage are added or removed for various reasons. In addition, the Group's historical bidding "Win Rate" may decline and is an uncertain indicator of new investments that the Group may make in the future. The Win Rate can vary significantly from period to period. A number of factors influence whether a PPP bid by the Group or a Consortium moves from the pre-qualification stage to a shortlist and thereafter to the Group or a Consortium being named the preferred bidder and awarded the project. In addition, Governmental Entities can delay or indefinitely postpone the awarding of projects. The valuation of an investment in a project may not reflect its ultimate realisable value. Valuations for each of its investments are carried out by the Group as at 30 June and 31 December, with the objective being to establish a fair value for each investment in the portfolio assuming that forecast project cash flows are received until maturity of the underlying asset. The valuation of the Group's investments is only an estimate of realisable value and is not typically based on third party offers for such investments. 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. Valuations for certain investments and a review of the investment portfolio as a whole are also carried out as at 31 March and 30 September. The Group operates in highly competitive markets and may not be able to compete effectively or profitably. The Group is subject to competition from a range of businesses active in international, national and local infrastructure markets, including financial investors or competitors with contracting businesses or support services businesses. Some of the Group's competitors are larger than the Group and may have greater financial, technical and operating capabilities, or may be willing to accept (for whatever reason) lower rates of return. As a result of this competition and with the possibility that this competition may intensify, there is a risk that the Group may fail to secure new investments in its chosen markets or be required to accept lower returns in order to secure investments. The Group has carried forward tax losses, available for offset against future profits, which may not be available following the Offer. The availability of carried forward losses in certain circumstances may be restricted under UK tax rules following a change of ownership of a company. If the availability of the carried forward tax losses were to be restricted, this could lead to a negative impact on the Group's effective tax rate and may lead to additional cash payments. The amount of the deficit in the Group's main defined benefit pension scheme can vary significantly due to gains or losses on scheme investments and movements in the assumptions used to value scheme liabilities (in particular life expectancy, discount rate and inflation rate).

		The Project Companies the Group invests in are structured as standalone, non-recourse special purpose vehicles ("SPVs"). As a result, the project financing, activities, liabilities and performance obligations of each individual Project Company (including such Project Companies in which the Group owns a majority of the equity and which are "subsidiary undertakings" of the Company within the meaning of section 1162 of the Companies Act 2006) are ring-fenced from each other (with the exception of the project financing documents relating to the two Manchester Waste projects) and from the Group as a whole, and the Group's commitments as a shareholder and subordinated debt provider to each of the Project Companies (including majority-owned Project Companies) are limited to its investment amount. If certain risks were to occur in relation to one of the Project Companies, the value of the Group's investment in the affected Project Company, as well as the timing and quantum of distributions from such Project Company, could be negatively impacted. These risks include adverse financial performance by a Project Company affecting the financial covenants in its project finance loan documents and thereby potentially enabling senior project finance debt providers to declare default of the financing terms and exercise their security; the inability of a Project Company to refinance existing maturing medium-term project finance facilities periodically during the life of a project; any violations of or changes in regulations to which the Project Companies are subject; exposure of the Project Companies to counterparty credit risk with regards to Governmental Entities, subcontractors, lenders, suppliers and consortium partners, including counterparties for renewable energy projects; and variations affecting wind or sunlight or changes in electricity price which would have a material adverse effect on the revenues from the Group's investments in renewable energy projects. While the manifestation of such risks may not individually have a material adverse effect on the Group as a whole, the manifestation of any of these risks in relation to multiple Project Companies simultaneously, or to a Project Company in which the Group's investment comprised a significant portion of the Group's total investment portfolio, could adversely affect the total value of the Group's investment portfolio and the cash yields from the portfolio, which in turn could have a material adverse effect on the Group's business, results of operations, financial condition and future prospects. With respect to the Group's external asset management business, the past performance of JLIF and JLEN should not be considered indicative of the future performance of such funds or of the Group's future fee income from such funds. The historical performance of JLIF and JLEN, respectively, has benefited from investment opportunities and general market conditions that may not repeat themselves and there can be no assurance that the Group's strategies will result in profitable investments being sold to JLIF or JLEN in the future. Poor performance of JLIF and JLEN could result in damage to the Group's brand as an investment adviser, a reduction in John Laing's External AUM and a corresponding reduction in fee income. Moreover, if JLIF or JLEN were unable to finance further investments in the projects in which the Group's interests are up for disposal, the Group would have to seek and rely on other secondary market investors in order to realise the value of its investments in such projects.
D.3	Key information on the key risks specific to the securities	There is no existing market for the Shares and an active trading market for the Shares may not develop or be sustained. Moreover, even if a market develops, Shares may be subject to market price volatility, and the market price of the Shares in the Company may decline in response to developments that are unrelated to the Company's operating performance or as a result of sales of substantial amounts of Shares in the public markets, including following the expiry of the lock-up period, and Shareholders may not be able to sell their Shares at or above the Offer Price.

		The Henderson Funds will retain a significant interest in and will continue to exert substantial influence over the Group following the Offer and its interests may differ from or conflict with those of other Shareholders. Shareholders in the United States or other jurisdictions may not be able to participate in future equity offerings. The Company is not, and does not intend to become, regulated in the United States as an investment company under the US Investment Company Act. As a result, transfer restrictions for Shareholders in the United States or that are US persons (as defined in Regulation S of the US Securities Act ("Regulation S")) have been imposed and may make it difficult to resell the Shares, other than in "offshore transactions" within the meaning of Regulation S, or may have an adverse impact on the market price of the Shares generally. The Company may be a passive foreign investment company ("PFIC") for US federal income tax purposes for any taxable year, which could result in adverse US federal income tax consequences for US investors.

Section E—Offer		
Element	**Disclosure Requirement**	**Disclosure**
E.1	Net proceeds and costs of the Offer	Through the issue of New Shares pursuant to the Offer, the Company expects to raise gross proceeds of £130 million. The aggregate expenses of, or incidental to, Admission and the Offer to be borne by the Company are estimated to be approximately £10 million, which the Company intends to pay out of the proceeds of the Offer. Through the sale of Existing Shares pursuant to the Offer, the Selling Shareholder expects to raise £225.7 million (assuming that the Offer Price is set at the mid-point of the Price Range, that the Company issues sufficient New Shares to raise gross proceeds of £130 million, that the Selling Shareholder sells a sufficient number of Existing Shares to achieve a free float (being the percentage of Shares held by persons other than the Selling Shareholder, the Non-Executive Directors and Senior Management upon Admission) of 45 per cent. and no exercise of the Over-allotment Option) before taking into account expenses. On that basis, the aggregate underwriting commissions and amounts in respect of stamp duty or SDRT payable by the Selling Shareholder in connection with the Offer are estimated to be up to approximately £7.4 million.
E.2a	Reasons for the Offer and use of proceeds	The Directors believe that the Offer will: • further increase the Group's profile, brand recognition and credibility with Governmental Entities, potential consortium partners, other project clients, suppliers and employees; • assist in recruiting, retaining and incentivising key management and employees; • provide a partial realisation of the investment in the Group by the Selling Shareholder; and • raise proceeds to fund new investment commitments and for general corporate purposes. The Company intends to use the net proceeds from the issue of the New Shares to fund new investment commitments and for general corporate purposes. Proceeds will also be used to pay costs related to the listing, estimated at approximately £10 million.

E.3	Terms and conditions of the Offer	The Offer is being made by way of: • an Institutional Offer by the Company and the Selling Shareholder: (i) to certain institutional investors in the United Kingdom and elsewhere outside the United States in reliance on Regulation S and in accordance with locally applicable laws and regulations, and (ii) in the United States, only to persons who are both (a) QPs within the meaning of Section 2(a)(51) of the US Investment Company Act and (b) QIBs in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act; and • an Intermediaries Offer by the Company to Intermediaries on behalf of retail investors in the United Kingdom, the Channel Islands and the Isle of Man. If there is more demand for Shares than the number of Shares available in the Offer, applications for Shares will be scaled back. The aggregate allocation of Shares as between the Institutional Offer and the Intermediaries Offer will be determined by the Company and the Selling Shareholder after having consulted with the Joint Global Co-ordinators (on behalf of the Underwriters). The allocation policy for the Intermediaries Offer will be determined by the Company and the Selling Shareholder after having consulted with the Joint Global Co-ordinators. The price at which the Shares are to be issued and sold in the Offer (the "Offer Price") is expected to be between 195 pence and 245 pence per Share (the "Price Range"). The Price Range and the New Share Offer Size Range have been set by the Company. The Existing Share Offer Size Range has been set by the Selling Shareholder. It is currently expected that the Offer Price, the New Share Offer Size and the Existing Share Offer Size will be set within the Price Range, the New Share Offer Size Range and the Existing Share Offer Size Range, respectively. All Shares subject to the Offer will be issued or sold at the Offer Price, which will be determined by the Company and the Selling Shareholder in consultation with the Joint Global Co-ordinators, following a book-building process. A number of factors will be considered when setting the Offer Price, including the level and nature of demand for Shares during the book-building process, the level of demand in the Intermediaries Offer and the objective of encouraging the development of an orderly after-market in the Shares. The Offer Price, the New Share Offer Size and the Existing Share Offer Size are expected to be announced on or around 12 February 2015. The Pricing Statement, which will contain, among other things, the Offer Price, the New Share Offer Size and the Existing Share Offer Size, will (subject to certain restrictions) be published on the Company's website at www.laing.com. If (i) the Offer Price is set above the Price Range or the Price Range is revised higher; (ii) the number of New Shares to be issued by the Company is set above or below the New Share Offer Size Range; and/or (iii) the number of Existing Shares to be sold by the Selling Shareholder is set above or below the Existing Share Offer Size Range, then the Company would make an announcement via a Regulatory Information Service and prospective investors would have a statutory right to withdraw their application for Shares pursuant to section 87Q of FSMA.

In such circumstances, the Pricing Statement would not be published until the period for exercising such withdrawal rights has ended. The expected date of publication of the Pricing Statement would be extended and the arrangements for withdrawing offers to subscribe for or purchase Shares would be made clear in the accompanying announcement.

It is expected that Admission will take place and unconditional dealings in the Shares will commence on the London Stock Exchange at 8.00 a.m. on 17 February 2015. Prior to Admission, it is expected that dealings in the Shares will commence on a conditional basis on the London Stock Exchange on 12 February 2015. The earliest date for settlement of such dealings will be 17 February 2015. All dealings in the Shares prior to the commencement of unconditional dealings will be on a "when issued" basis and will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned. These dates and times may be changed without further notice.

The Offer is subject to the satisfaction of certain conditions contained in the Underwriting Agreement, which are typical for an agreement of this nature, including Admission becoming effective by no later than 8.00 a.m. on 17 February 2015 (or such later time on Admission as the Joint Global Co-ordinators and the Company and the Selling Shareholder may agree in writing) and on the Underwriting Agreement not having been terminated prior to Admission.

Expected timetable of principal events

Event	Time and Date[1][2]
Latest date for applications to be received by Intermediaries from retail investors in respect of the Intermediaries Offer (exact time to be determined by each Intermediary)	10 February 2015
Latest time and date for receipt by the Receiving Agent of applications from Intermediaries in respect of the Intermediaries Offer	10:00 am on 11 February 2015
Latest date for receipt of indications of interest in the Institutional Offer	12:00 pm on 11 February 2015
Announcement of the Offer Price and Offer Size, publication of the Pricing Statement and notification of allocations of Shares[3]	7:00 am on 12 February 2015
Commencement of conditional dealings in Shares on the London Stock Exchange	8:00 am on 12 February 2015
Admission and commencement of unconditional dealings in Shares on the London Stock Exchange	8:00 am on 17 February 2015

[1] Times and dates set out in the timetable above and mentioned throughout this document that fall after the date of publication of this document are indicative only and may be subject to change without further notice.

[2] All references to time in this timetable are to UK time.

[3] The Offer Price and Offer Size will be set out in the Pricing Statement. The Pricing Statement will not automatically be sent to persons who receive this document but it will be available free of charge at the Company's registered office at 1 Kingsway, London WC2B 6AN. In addition, the Pricing Statement will (subject to certain restrictions) be published on the Company's website at www.laing.com.

		None of the Shares comprising the Offer may be offered for subscription, sale or purchase or be subscribed, sold or delivered, and this document and any other offering material in relation to the Shares may not be circulated, in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration, other than the United Kingdom. Investors agreeing to subscribe for New Shares and/or purchase Existing Shares pursuant to the Offer agree with each of the Company and the Selling Shareholder to be bound by certain terms and conditions upon which Shares will be issued and/or sold in the Offer. Upon being allocated Shares pursuant to the Offer, each investor agrees to become a member of the Company, to acquire the Shares allocated to it at the Offer Price and to pay the Offer Price for the Shares allocated to it. If an investor fails to pay as required, the relevant investor will remain liable to pay such amount and will be deemed to have appointed the Joint Global Co-ordinators to sell any or all of the Shares allocated to it at such price as the Joint Global Co-ordinators may achieve subsequent to any such failure to pay. Under the terms and conditions of the Offer, each investor makes certain representations, warranties and acknowledgements to the Company and the Selling Shareholder customary for an offer of this type, including but not limited to: (i) in relation to certain characteristics of the investor; (ii) the investor's compliance with restrictions contained in the Offer and with specified laws and regulations; (iii) reliance, responsibility and liability in respect of the Prospectus, the Offer and information outside of the Prospectus; (iv) compliance with laws; (v) jurisdiction; and (vi) liability for duties or taxes. On request, an investor may be required to disclose certain information, including any information about the agreement to subscribe for and/or purchase Shares, the investor's nationality (if an individual) and the jurisdiction in which the investor's funds are managed or owned (if a discretionary fund manager). The terms and conditions also provide for the following issues: the sending of documents to the investor; the investor being bound by the Articles upon the transfer or issue of Shares; the application of English law to the contract to subscribe for and/or purchase Shares; and joint agreements to subscribe for and/or purchase Shares. From Admission, the Offer will be fully underwritten by the Underwriters in accordance with the terms of the Underwriting Agreement.
E.4	Material interests	There are no interests, including conflicting interests, that are material to the Offer, other than those disclosed in B.6 above.
E.5	Selling Shareholder and Lock-up	The indicative interests in Shares of the Selling Shareholder immediately prior to Admission, together with a corresponding estimate of its interests in Shares immediately following Admission, are set out in the table below (calculated on the basis that the Offer Price is set at the mid-point of the Price Range, that the Company issues sufficient New Shares to raise gross proceeds of £130 million, that the Selling Shareholder sells a sufficient number of Existing Shares to achieve a free float of 45 per cent. and that the Over-allotment Option is not exercised).

	Interest immediately prior to Admission		Existing Shares to be sold pursuant to the Offer[1]		Interests immediately following Admission[1][2]	
Shareholder	**No.**	**% of total issued**	**No.**	**% of holding**	**No.**	**% of total issued**
Henderson Infrastructure Holdco (Jersey) Limited .	300,000,000	100%	102,602,273	34.2%	197,397,727	54.9%
Total	**300,000,000**	**100%**	**102,602,273**	**34.2%**	**197,397,727**	**54.9%**

(1) Assuming that (i) the Offer Price is set at the mid-point of the Price Range, (ii) the Selling Shareholder sells a sufficient number of Existing Shares to achieve a free float of 45 per cent., (iii) the Company issues sufficient New Shares to raise gross proceeds of £130 million and (iv) that the Over-allotment Option is not exercised.

(2) Shortly following Admission, the Selling Shareholder is expected to distribute its entire holding of Shares to its parent company, HPC Nominees Limited.

Pursuant to the Underwriting Agreement, the Company has agreed that, subject to certain exceptions, during the period of 180 days from the date of Admission, it will not, without the prior written consent of the Joint Global Co-ordinators (such consent not to be unreasonably withheld or delayed), directly or indirectly, issue, offer, allot, lend, mortgage, assign, charge, pledge, sell, or contract to sell, issue options in respect of or otherwise dispose of, or announce an offer of any Shares (or any interest therein in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Shares or enter into any transaction with the same economic effect as any of the foregoing.

Pursuant to the Underwriting Agreement and related arrangements, the Directors have agreed that, subject to certain exceptions, during the period of 365 days from the date of Admission, they will not, without the prior written consent of the Joint Global Co-ordinators (such consent not to be unreasonably withheld or delayed), directly or indirectly, offer, allot, lend, mortgage, assign, charge, pledge, sell, or contract to sell, issue options in respect of or otherwise dispose of, or announce an offer of any Shares (or any interest therein in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Shares or enter into any transaction with the same economic effect as any of the foregoing.

Pursuant to the Underwriting Agreement, the Selling Shareholder, HPC Nominees Limited and each of the Henderson Funds have severally agreed that, subject to certain exceptions, during the period of 180 days from the date of Admission, they will not, without the prior written consent of the Joint Global Co-ordinators (such consent not to be unreasonably withheld or delayed), directly or indirectly, offer, allot, lend, mortgage, assign, charge, pledge, sell, or contract to sell, issue options in respect of or otherwise dispose of, or announce an offer of any Shares (or any interest therein in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Shares or enter into any transaction with the same economic effect as any of the foregoing. The Selling Shareholder is, however, permitted to distribute its Shares to HPC Nominees Limited at any time after Admission (whereupon it will also be subject to the above restrictions). Following the expiry of 180 day lock-up period, HPC Nominees Limited shall be subject to orderly market restrictions for the period to 30 September 2015. Furthermore, upon expiry of such orderly market restrictions, HPC Nominees Limited will distribute its remaining Shares to the underlying investors in the Henderson Funds, at which point the Relationship Agreement will terminate in accordance with its terms.

		The Senior Managers have agreed that, subject to certain exceptions, during a period of 365 days from Admission, he or she shall not, without the prior written consent of each of the Joint Global Co-ordinators (such consent not to be unreasonably withheld or delayed), directly or indirectly, offer, issue, lend, mortgage, assign, charge, pledge, sell or contract to sell, issue options in respect of or otherwise dispose of, directly or indirectly, or announce an offering or issue of, any Shares (or any interest therein in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing.
E.6	Dilution	The Existing Shares will be diluted by the issue of up to 66,666,667 New Shares pursuant to the Offer. Assuming that the Company issues sufficient New Shares to raise proceeds of £130 million, the Existing Shares will represent between approximately 81.8 per cent. (if the Offer Price is set at the bottom of the Price Range) and approximately 84.9 per cent. (if the Offer Price is set at the top of the Price Range) of the total issued Shares immediately following Admission.
E.7	Expenses charged to the investor	Not applicable. No expenses will be charged by the Company or the Selling Shareholder to any investor who subscribes for or purchases Shares pursuant to the Offer.

PART 1
RISK FACTORS

Any investment in the Shares is subject to a number of risks. Prior to investing in the Shares, prospective investors should carefully consider risk factors associated with any investment in the Shares, the Group's business and the industry in which it operates, together with all other information contained in this Prospectus including, in particular, the risk factors described below.

Prospective investors should note that the risks relating to the Group, its industry and the Shares summarised in the section of this Prospectus headed "Summary" are the risks that the Directors and the Company believe to be the most essential to an assessment by a prospective investor as to whether to consider an investment in the Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus headed "Summary" but also, among other things, the risks and uncertainties described below.

The risk factors described below are not an exhaustive list or explanation of all risks which investors may face when making an investment in the Shares and should be used as guidance only. Additional risks and uncertainties relating to the Group that are not currently known to the Group, or that the Group currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Group's business, results of operations and/or financial condition and, if any such risk should occur, the price of the Shares may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Shares is suitable for them in the light of the information in this Prospectus and their personal circumstances.

1. Risks relating to the Group's business and industry

1.1 Changes to legislation or public policy in the jurisdictions in which the Group operates could impact negatively the volume of potential opportunities available to the Group and the returns from existing opportunities.

Many of John Laing's infrastructure investments are structured through public-private partnership ("PPP") frameworks whereby anticipated revenues are derived from government or other public sector payments to a standalone project company (typically, a non-recourse special purpose vehicle ("SPV")) in which the Group has an interest (a "Project Company", together with other project companies in which the Group has an interest, the "Project Companies"). The use of PPP programmes by governmental or other public sector authorities ("Governmental Entities") to finance public infrastructure projects in their jurisdictions has become more common in recent years, but the typical terms under which they operate may vary from time to time and they are not the only means of funding public infrastructure projects. Accordingly, the use of such programmes by Governmental Entities in the countries in which the Group operates or may wish to operate may decrease, thereby limiting opportunities for private sector infrastructure investors in the future, or be structured such that the returns to private sector infrastructure investors are reduced.

Whether as a result of general economic conditions, changes in interest rates, fiscal pressures arising from public sector deficits, changes in governmental policy or otherwise, any reduction in government or other public sector investment and funding of infrastructure resulting in a reduction of the use of PPP procurement thereof would be likely to have an adverse effect on the Group's business. Accordingly, following any shifts in public sector policies, programmes or procurement methodologies, or changes in national, regional or local government policies following an election, or accession to or exit from supranational bodies by a state in a jurisdiction in which the Group operates, the Group may be unable to secure new investments, maintain its targeted volume of investment opportunities or achieve its targeted rates of return on its potential future infrastructure investments, which could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

Governmental Entities may in the future seek to terminate or renegotiate the terms applying to existing PPP projects. With respect to the Group's investments, any such policy could have a material adverse effect on the financial condition and results of operation of the relevant Project Company. Governments in the countries in which the Group operates may, for example, seek to introduce new policies or legislation that seek to impose higher tax obligations on existing PPP projects or otherwise affect such projects. Although Project Companies typically have contractual rights against any attempt to renegotiate their terms and it is usual for the underlying PPP arrangements to contain compensation mechanisms in the event of unilateral termination, any such changes in policies or regulations or a renegotiation or termination of existing contracts might result in a reduction of anticipated returns leading to a reduction in the value of the Group's investments in affected Project Companies or the ability of the Group to realise full value in any disposal of such investments, which could in turn have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

1.2 Changes to legislation or public policy related to renewable energy could impact negatively the economic returns on the Group's investments in renewable energy projects, which would adversely affect the demand for and attractiveness of such projects.

The Group could also be affected by changes in legislation or public policy relating to renewable energy. At present, the economic returns on many of the Group's investments in renewable energy projects are dependent in part on government support mechanisms, such as feed-in-tariffs, renewable obligations, green certificates or other schemes, and tax credits and exemptions in the jurisdictions in which the Group operates, which encourage uptake of renewable energy technologies, including onshore wind, solar and biomass. For example, if global economic conditions were to weaken, some governments might implement austerity measures that reduce the feed-in-tariffs and other incentives designed to benefit the renewable energy industry. Furthermore, any changes to the emission reduction targets set by the European Union or by individual Member States, or to carbon reduction policies (including the EU Emission Trading System), could impact future electricity prices and, in turn, lead to a reduction in the volume of renewable energy projects being developed by the private sector.

If any of the above were to occur, the Group's economic returns from renewable energy projects as well as the demand for and attractiveness of such projects could be adversely affected. This could in turn have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

1.3 The Group's investment pipeline is not a guarantee of actual bidding activity or future investments.

The Group's investment pipeline comprises specifically identified projects that are expected to be procured or be available in the near term. Actual bidding activity is predicated upon the opportunities and investment capital available at the time of bidding, as well as a determination at such time as to which projects will be economically favourable, and the naming of the Group or a consortium in which it is a member (a "Consortium") as the successful bidder is generally subject to the Governmental Entity's (in the case of PPP opportunities) or the vendor's (in the case of renewable energy opportunities) final determination and is outside the Group's or such Consortium's control.

Furthermore, John Laing's investment pipeline evolves as specific opportunities are removed and new opportunities at any stage are added. This can include opportunities which are about to reach financial close shortly. For example, the investment pipeline has grown positively in light of an increasing number of US states adopting PPP as a method of financing public infrastructure. However, if these initiatives were to lose support from the US federal or state government(s), the opportunities identified by the Group may no longer be economically favourable, and the Group may decide to remove such opportunities from its pipeline. As a result, the Group's investment pipeline as at a specific date may change at any time as opportunities are added or removed for various reasons. In addition, the Group or a Consortium may bid for a project in the pipeline but be unsuccessful. For the reasons set out above, the Group's investment pipeline is not a guarantee of the Group's actual bidding activity or of the value of the investments the Group will ultimately make.

1.4 The Group's historical bidding Win Rate may decline and is an uncertain indicator of new investments that the Group may make in the future.

The Group's bidding "Win Rate" for a particular period is calculated by reference to the value of John Laing's potential PPP investment commitments in respect of which John Laing or a Consortium is successfully appointed as preferred bidder in that period (i.e. a win), as a percentage of the total value of John Laing's potential PPP investment commitments in the same period in respect of which the Group or a Consortium has been shortlisted for projects and preferred bidder status has been subsequently reached for such shortlisted projects, either by the Group or a Consortium or a third party (i.e. all won or lost bids, rather than the investment pipeline as a whole). In view of the multi-year length of PPP procurements and the variation in the size of the value of PPP projects, short-term trends and short-term Win Rate can vary considerably from period to period and hence the Group considers its medium-term Win Rate when preparing its budget and business plan. The Group currently assumes an average Win Rate of 30 per cent.

in its budgeting having achieved a weighted average Win Rate of 39 per cent., across all the PPP projects for which John Laing or a Consortium has bid over the period from 1 January 2009 to 30 April 2014. The Win Rate can vary significantly from period to period and may not be a good indicator of future successful bidding activity. The Win Rate concept is not directly applicable to investments in renewable energy projects, as these projects are not subject to a formal procurement process, nor is it applicable to any investments John Laing might make in a project already at the secondary stage.

A number of factors, both within and outside the Group's or a Consortium's control, influence whether a PPP bid by the Group or a Consortium moves from the pre-qualification stage to a shortlist and thereafter to the Group or a Consortium being named the preferred bidder and awarded the project. In addition, Governmental Entities can delay or indefinitely postpone the awarding of projects. For these reasons, there can be no assurance that the bidding Win Rate will accurately forecast the percentage of new PPP investments that the Group will make or future movements in the fair value of the Group's investment portfolio, revenue or financial results.

1.5 The valuation of an investment in a project may not reflect its ultimate realisable value.

Valuations for each of its investments are carried out by the Group as at 30 June and 31 December and are principally based on a discounted cash flow ("DCF") methodology, with the objective being to establish a fair value for each investment in the portfolio assuming that forecast project cash flows are received until maturity of the underlying asset. Valuations for certain investments and a review of the investment portfolio as a whole are also carried out as at 31 March and 30 September.

The valuation of the Group's investments is only an estimate of realisable value and is not typically based on third party offers for such investments. 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. For example, forecast project cash flows may not be achieved for the full life of the project due to a variety of reasons as described further below in "—Risks relating to the Group's investments in Project Companies and other project-level risks". As a result, John Laing's valuation of its investment portfolio is not a guarantee of the realisable value of the projects comprising such portfolio, and any shortfall in such realisable value or any impairment of such value made under the Group's valuation methodology as a result of such factors could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

1.6 The Group operates in highly competitive markets and may not be able to compete effectively or profitably.

The Group is subject to competition from a range of businesses active in international, national and local infrastructure markets, including financial investors or competitors with contracting businesses or support services businesses. Some of the Group's competitors are larger than the Group and may have greater financial, technical and operating capabilities, including greater ability to attract high quality consortium partners. In particular, the Group's competitors may be willing to accept (for whatever reason) lower rates of return, and hence offer lower pricing to Governmental Entities or vendors, in order to win a bid. Competitors which have core contracting businesses may also be willing to accept lower rates of return on investment in a project SPV in consideration for winning the construction contract underlying the project. As a result of this competition and with the possibility that this competition may intensify, there is a risk that the Group may fail to secure new investments in its chosen markets or be required to accept lower returns in order to secure investments. In addition, the Group is subject to competition from other investment advisers in relation to its external asset management activities; there is therefore a risk that the Group may lose its position as investment adviser in connection with the external secondary funds it manages if such funds were to engage another investment adviser. The occurrence of any of these risks could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

1.7 Compliance with public tender regulations is complex and the outcomes may be subject to third party challenge and reversed.

Awards under public tender processes may be subject to challenge or cancellation based on actual or alleged procedural deficiencies, even after the Group or a Consortium has incurred significant expenditures associated with winning such a tender.

EU public procurement rules apply to the Group's bidding activity in Europe, and probity and process deeds ("Probity Deeds") are usually required to be executed in connection with the Group's bidding activity for public projects in Australia and New Zealand. In the United States and Canada, procurement rules vary by state/province. Breach of applicable procurement rules could lead to the cancellation of public sector contracts.

There can be no assurance that the Group, a Consortium or a tendering authority will not face actions seeking to challenge existing or future tender awards. There can also be no assurance that the Group or a Consortium would be successful in securing a project in any re-tendering process, the failure of which could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

1.8 The Group's historical returns and cash yields may not be indicative of future returns.

The Group uses annualised rate of return ("ARR") and money multiple ("MM") to measure actual returns generated from disposed investments, hold-to-maturity internal rates of return ("HTM IRRs") to appraise new investments and cash yields to measure dividends or subordinated debt interest and repayments from secondary investments. The historical returns generated by the Group relating to disposed investments and the cash yields from secondary investments in the Group's portfolio may not be indicative of future returns and cash yields. The measures of return presented in this Prospectus, whether in relation to disposed investments or to ongoing investments, may not be indicative of future returns and are not a guarantee of future results.

1.9 The Group's expected HTM IRRs are based on a variety of assumptions which (i) may not be correct at the time they are made and (ii) may not be achieved in the future.

The Group's primary investment origination activities are focused on securing new infrastructure investments (in the form of equity and subordinated debt) that, at financial close, will meet John Laing's investment targets of a full project life HTM IRR of, currently, 12 per cent. to 14 per cent. based on the investment's long-term projected cash flows at that time. HTM IRRs are based on a wide range of assumptions which involve judgments made by the Group, such as project construction period and future availability or usage as well as forecast cash flows from future value enhancements, and as a result, may be subject to error from incorrect assumptions at the time they are calculated.

1.10 Weakness in the secondary market for investments in PPP or renewable energy may affect the Group's ability to realise full value from its divestments.

Demand in the secondary market for PPP and renewable energy infrastructure investments can be expected to be linked to general economic conditions. If general economic conditions (such as interest rates, inflation or GDP growth) change and, as a result, investment appetite in the secondary market reduces, or if purchasers in the secondary market (including John Laing Infrastructure Fund Limited ("JLIF") and John Laing Environmental Assets Group Limited ("JLEN")) are otherwise unable to raise funds, the Group may not be able to realise full value from divestments from its investment portfolio.

The demand in the secondary market for renewable energy projects, in particular, can be expected to be influenced by: the price of renewable certificates and other governmental support mechanisms; the price of wholesale electricity which in turn is affected by the price of oil, gas, nuclear, hydro and other fuels; and governmental regulations and policies concerning the electricity sector and the renewable energy industry. If wholesale prices or the prices of competing energy products become cheaper, or if governmental regulations and policies towards the renewable energy industry change unfavourably, demand for renewable energy investments may weaken.

Such weaknesses in demand could limit the Group's ability to recycle capital for new investment commitments or otherwise have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

1.11 Any shortfall in the financial resources that are available to the Group to satisfy its financial obligations may make it necessary for the Group to constrain its business development, refinance its outstanding obligations, forego investment and acquisition opportunities and/or sell assets.

Following the Offer, the Group expects to have cash reserves and other resources (including under the Facilities Agreement described below) available to meet its target investment volumes and investment commitments for the next 12 months. Upon (and conditional on) Admission, the Group will enter into the Facilities Agreement providing for £350 million senior unsecured bank facilities, comprising two revolving credit facility tranches (the "Facilities"). The maturity date of the Facilities is 9 March 2020. To the extent that the Group does not have sufficient cash reserves or other existing financial resources or is unable to complete anticipated divestments to finance investment beyond its target investment volumes and investment commitments for the next 12 months, it may be required to either raise additional borrowings or issue further Shares in future equity raises. The Group can make no assurances that further borrowing or Share offerings will be achievable on commercially reasonable terms, which may require the Group to forgo otherwise attractive investment opportunities.

In addition, any new borrowing by the Group to fund such future investment commitments over and above its existing expectations will have to comply with any limits on borrowing imposed by the Group's existing financing arrangements or otherwise which are applicable to the Group at the relevant time. In particular, the Facilities Agreement contains financial covenants which may limit the Group's ability to incur such additional indebtedness.

The Group's ability to make scheduled payments on its indebtedness, comply with any then-applicable financial covenants or to refinance its obligations under its then-existing debt agreements over the longer term, will depend on the Group's financial and operating performance, which in turn, will be subject to prevailing economic and competitive conditions and to financial and business risks, many of which may be beyond the Group's control. If, in the medium term, the Group is unable to maintain sufficient cash generation to make payments under its then-outstanding letters of credit ("LCs") as they come due, put up cash collateral for new investment commitments, comply with financial covenants or avoid default under the applicable terms of the Facilities Agreement, the Group may face increased finance charges, an acceleration of its obligations to make payments under those LCs or the cancellation of those facilities, any of which could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

Furthermore, the covenants applicable under the Group's debt facilities and the lack of headroom availability could hinder the Group's strategy and future growth in the medium term in a number of ways, such as:

- causing the Group to reprioritise the uses of its capital to the potential detriment of the Group's investment opportunities, which, depending on the level of the Group's borrowings, prevailing interest rates and exchange rate fluctuations, could result in reduced funds being available for new investments, acquisitions, dividend payments and other general corporate purposes;
- restricting the ability of the Company to pay dividends;
- causing the Group to consider disposing of its interests in Project Companies at unattractive prices to raise additional cash proceeds to reduce debt;
- causing the Group to consider selling-down interests in new investment commitments at or shortly after financial close;
- limiting the Group's flexibility in planning for, or reacting to, changes in market conditions and competitive pressures;
- placing the Group at a disadvantage to competitors that have greater access to financial resources, and adversely affecting the Group's reputation;
- limiting the Group's ability to provide, or substantially increasing the expense of providing, bonds, including performance bonds and bid bonds, advance payment bonds, demand guarantees, cash collateral and LCs, as required, to secure new investments;
- increasing the Group's vulnerability to continued adverse economic, financial and industry conditions, including increases in interest rates and credit spreads; and
- increasing the cost of servicing the Group's then-existing borrowings in the event then-applicable terms or covenants are renegotiated,

any of which could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

1.12 Inability to secure project finance could hinder the ability of the Group or a Consortium to make a bid or, where the Group or a Consortium has a preferred bidder position, could impact negatively whether an underlying project reaches financial close.

PPP projects are principally financed through non-recourse SPVs with funds provided by a mix of investment from sponsors (such as the Group) and secured loans from outside lenders, generally with up to 90 per cent. of funding coming from external non-recourse debt providers, such as banks or other financial institutions. Typically, a renewable energy project is 55 per cent. to 80 per cent. externally debt-funded. Where the Group or a Consortium plans to make a bid which requires new project financing facilities, there can be no assurance that it will be able to obtain such loans on favourable terms, or at all. For example, in 2009, the Consortium awarded the Manchester Waste projects obtained insufficient financing from a syndicate of banks which therefore had to be supplemented by loans from the UK Treasury Infrastructure Finance Unit and the Greater Manchester Waste Disposal Authority itself. There can be no assurance that alternative financing sources would be available if comparable situations were to occur in the future.

The ability of the Group or a Consortium to obtain project financing for a particular project on behalf of the relevant Project Company is subject to a number of uncertainties, including, among other things, the Project Company's financial strength; the conditions of the global and domestic financial markets; and changes in monetary and regulatory policy with respect to bank lending practices and conditions in the countries where it operates. Inability to secure project finance at the bidding stage or at the preferred bidder stage due to such uncertainties could impact negatively whether an underlying project reaches financial close, which could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

1.13 The amount of the deficit in the Group's main defined benefit pension scheme can vary significantly due to gains or losses on scheme investments and movements in the assumptions used to value scheme liabilities (in particular life expectancy, discount rate and inflation rate). Consequently the Group is exposed to the risk of increases in cash contributions payable, volatility in the deficit reported in the Group's balance sheet, and gains/losses recorded in the Group's income statement.

John Laing operates two defined benefit pension schemes in the United Kingdom, the John Laing Pension Fund ("JLPF") and the John Laing Pension Plan ("JLPP"), as well as a post-retirement medical scheme. Both JLPF and JLPP are closed to future accrual and no longer have active members. The combined accounting deficit under IAS 19 in the Group's defined benefit pension and post-retirement medical schemes at 30 September 2014 was £197.4 million, primarily as a result of the pension deficit in JLPF.

Approximately 29 per cent. of JLPF's liabilities as at 30 September 2014 were hedged under a buy-in policy implemented with Aviva in 2008. John Laing has been making contributions to JLPF in accordance with the terms of a deficit repair programme agreed with the John Laing Pension Trust Limited (the "JLPF Trustee") as part of the actuarial valuation as at 31 March 2013. On 4 December 2014, John Laing agreed with the JLPF Trustee to, conditional upon Admission, make an additional contribution of £100 million (to be settled by way of a transfer of its interests in certain of its investments and proceeds therefrom) in order to make a substantial reduction in the scheme's deficit and reduce future contributions by John Laing. Although the Group agreed a revised schedule of contributions with the JLPF Trustee pursuant to such agreement, the nature of the pension arrangement means that the Group is exposed to volatile cash, balance sheet and profit and loss impacts. In particular, the funding level of the scheme is sensitive to changes in a wide range of actual or assumed factors, which may be beyond the Group's control, including gains or losses on scheme investments, discount rates for valuing liabilities, life expectancy, inflation and elections by members to take lump sums at retirement. As a result, it may not be possible to predict the future funding level or employer cash contribution obligations and accounting charges with certainty. Assets and investments held by JLPF may not grow to anticipated levels in the expected time periods. In the case of losses in respect of scheme investments, the Group may be required to make additional contributions to make up any prospective deficits. An increase in the pension deficit at the next actuarial valuation of JLPF as at 31 March 2016 may also have an adverse impact on the level of deficit repayments the Group is required to make.

An increase in the value of ongoing funding liabilities as a result of any of the above factors could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

1.14 The Group may be exposed to changes in taxation in the jurisdictions in which it operates, or it may cease to satisfy the conditions for relevant reliefs. Tax authorities may disagree with the positions the Group has taken or intends to take.

Companies in the Group account for and pay tax in the jurisdictions where they are resident and, if applicable, in any other jurisdiction in which they have a permanent establishment or other taxable presence. Significant changes to and interpretation of tax laws and regulations, including changes in the basis or rate of corporation tax, withdrawal of allowances or credits, deductibility of pension contributions, imposition of new taxes or changes to withholding taxes in any of the markets the Group operates in could have a material impact upon the Group's tax charges, valuation of the Group's investment portfolio and returns from the Group's investments. For example, on 19 July 2013, the Organisation for Economic Co-operation and Development ("OECD") published an action plan (the "Plan") on Base Erosion and Profit Shifting ("BEPS"). The Plan proposed 15 actions covering areas such as deductibility of interest, limiting the availability of double tax treaty benefits, avoiding double non-taxation in financing structures, transfer pricing and disclosure of worldwide tax information. The BEPS project is ongoing, with further consultation and recommendations expected during 2015. Changes to tax laws based on recommendations made by the OECD could have a material impact upon the Group's tax charges.

Companies in the Group sometimes benefit from the application of reliefs or exemptions in the jurisdictions in which they are liable. Should the relevant companies cease to meet the conditions for such reliefs or exemptions, this could have a material impact on the Group's tax charges. For example, the substantial shareholdings exemption ("SSE") regime in the United Kingdom provides that a gain on a disposal by a company of shares (or an interest in shares or certain assets related to shares) will not be a chargeable gain for corporate tax purposes provided certain conditions are met. The Group has, in the past, benefitted from SSE in relation to the disposal of certain of its interests in Project Companies. If in the future the conditions of SSE were not satisfied, the Group would be liable for corporation tax on any such gains at the then prevailing rates of corporation or equivalent tax. Other jurisdictions in which the Group operates have similar rules.

Certain tax positions taken by the Group are based on industry practice and external tax advice and/or are based on assumptions that involve a degree of judgement. The tax authorities in any applicable jurisdiction, including the United Kingdom, may disagree with the positions the Group has taken or intends to take regarding the tax treatment of any of the Group's transactions. If challenges to the Group's tax positions (through audits or otherwise) were to be successful, the Group may be required to pay additional taxes, penalty charges and interest, and it may incur costs in defending litigation or reaching a settlement with the relevant tax authority.

If any of the above were to occur, this could lead to a negative impact on the Group's effective tax rate, valuation of the investment portfolio and returns from the Group's investments and might lead to additional tax cash payments to the extent that the Group's existing tax losses were unavailable or insufficient to offset such additional tax liabilities. This could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

1.15 The Group has carried forward tax losses which may not be available following the Offer.

Certain UK companies in the Group have carried forward tax losses available for offset against future profits. There are rules in the United Kingdom which can operate so as to restrict the availability of carried forward losses in certain circumstances following a change of ownership of a company. The Directors intend to manage the Group in such a way that, if there were a relevant change of ownership, these provisions should not apply, but there can be no guarantee that this will be the case. If the availability of the carried forward losses were to be restricted, this could lead to a negative impact on the Group's effective tax rate and may lead to additional tax cash payments and a reduction in or cessation of dividend payments. This in turn could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

1.16 The Group may fail to retain key senior management and skilled personnel or fail to find high-quality personnel in, or relocate high-quality personnel to, the jurisdictions in which it operates or seeks to expand.

The success of the Group's businesses is dependent on recruiting, retaining, motivating and developing highly skilled and competent people. The Group faces competition for personnel from other companies and organisations. There may at any time be shortages in the availability of appropriately skilled people at key levels within the Group and these shortages may have a negative effect on the Group. The members of the management team contribute to the Group's ability to obtain, generate and manage investment opportunities. If the Group is unable to attract and retain high-quality personnel, it may not be able to maintain standards of service or continue to grow the Group's businesses as anticipated. The loss of such personnel, or the inability to attract and retain additional highly skilled employees required for the Group's activities, could impair the Group's ability to execute its business plan and achieve its objectives or lead to the loss of other important employees, any of which could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

In addition, as part of its strategy, the Group plans to expand its investments in jurisdictions such as Australia and the United States. The success of the Group's strategy is dependent in part on its ability to find local staff of the appropriate quality or relocate personnel with the requisite skills into these jurisdictions. Consequently, any failure to secure such staff could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

1.17 The Group engages in consortia to bid for new projects, and an inability to secure appropriate consortium partners may limit the ability of the Group to source new investments or the selection of inappropriate partners might negatively impact the Group's reputation through association.

The Group bids for contracts through Project Companies which, for PPP projects, are typically formed by a consortium of partners. If the Group is unable to identify appropriate consortium partners, or if appropriate partners are unwilling to enter into a consortium with the Group, the Group may be unable to secure investments in these projects. In addition, the ability of a Consortium to win bids could be adversely affected if one of its members has engaged in misconduct during the bidding process for the envisaged project or another project altogether. This could also negatively impact the reputation of the Group as a whole if the John Laing brand becomes associated with such partner. Accordingly, any such actions by the Group's consortium partners, or an inability to identify and attract appropriate partners, could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

1.18 The Group and/or a Consortium may not be able to recover certain costs from new investments.

The bidding process for both PPP and renewable energy projects requires a significant investment of resources. If the Group or a Consortium does not win a particular project for which it has put in a bid, it will usually not recover the associated bid costs from that bid. It is difficult for the Directors to predict whether or when the Group or a Consortium will be awarded such projects, and for PPP projects in particular, they frequently involve a lengthy bidding and selection process. This process can be affected by a number of factors, such as market conditions, the behaviour and qualifications of the Group's consortium partners, and governmental approvals and decisions which may be beyond the Group's or a Consortium's control.

While the Group aims to recover the aggregate total bidding costs payable by the Group in relation to contracts bid by it or a Consortium, there can be no assurance that costs recovered under contracts won (which may include success fees) will compensate for the bidding costs incurred in relation to projects lost, either in that year or subsequent years. Although certain jurisdictions, such as the United States and the Netherlands, may pay a stipend where a bidder is unsuccessful, it is unlikely that such stipend will cover the entire cost of the bid, and there can be no assurance that such stipends will be available in the future. Furthermore, there is a risk that a bid may be cancelled even once the Group or a Consortium has been appointed preferred bidder, before the underlying project reaches financial close.

In addition, the Group typically seeks a fee from Project Companies to compensate John Laing for the period during which it is required by project finance lenders to provide LCs (drawn under the Group's banking facilities) and/or cash collateral deposits, both of which are posted as security for John Laing's future equity subscription obligations. Such fees payable by the Project Companies may not fully compensate for the costs incurred by the Group in providing a LC and the interest earned on cash collateral deposits may not fully cover the cost to the Group of such cash provision.

The costs associated with failed bids for projects which are not otherwise compensated by stipends and/or recoveries from contracts won, and the cost of providing security to project finance lenders not otherwise compensated by fees charged to Project Companies, could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

1.19 The valuation of the Group's investment portfolio is affected by movements in foreign exchange rates, which will be reflected in the Group's combined financial statements. In addition, there are foreign exchange risks associated with any conversion of foreign currency cash flows of an investment into and out of sterling.

The Group reports its results in sterling. Accordingly, the valuation of the Group's investment portfolio is affected by movements in foreign exchange as some of the Group's investments are denominated in currencies other than sterling. The Group's current investment portfolio includes investments denominated in Euros, US dollars, Australian dollars and New Zealand dollars. Fluctuations in exchange rates between sterling and the relevant local currencies will directly affect the valuation of the Group's investment portfolio. Such fluctuations in valuation are reflected in the Group's balance sheet and through the Group's income statement. The Group currently partly hedges the sterling balance sheet valuation of its non-sterling investments.

In addition, an exchange risk arises whenever the Group is required to convert non-sterling investment cash flows (including equity subscriptions, cash yields and divestment proceeds) in a project that is predominantly based in a foreign currency. In particular, the Group's dividend policy envisages sterling dividend payments, in part calculated as a proportion of the proceeds of divestments, which may necessitate conversion back into sterling. Whilst the Group's foreign exchange risk hedging policy allows the Group to enter into hedging arrangements to mitigate cash flow currency risk, there can be no assurance that such arrangements will be entered into or that they will be sufficient to cover such risk. The Group's exposure to foreign exchange risk as described above could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

1.20 Changes in interest rates may adversely affect the Group's profitability.

The Group currently has a Facilities Agreement under which floating rate debt is available, and may, in the future, finance its activities with floating rate debt. With respect to such interest-bearing liabilities, the Group's performance may be adversely affected if it fails to fully counteract the effects of changes in interest rates on its operations by employing an effective hedging strategy, including engaging in interest rate swaps or other interest rate derivative contracts. Interest rates are highly sensitive to many factors beyond the control of the Group. There can be no assurance that hedging arrangements will be entered into or, in the event that they are entered into, that they will be sufficient to cover such risk. Accordingly, changes in interest rates could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

For a discussion of interest rate risk in respect of the project finance raised by Project Companies, see "To the extent that a Project Company's actual costs incurred differ from forecast costs, for example, because of late construction, and cannot be passed on to subcontractors or other third parties, investment returns may be adversely affected" in paragraph 2.9 below.

1.21 A significant portion of the total value of the Group's investments is, and may in the future be, in a small number of projects, and changes to the value of these projects may materially affect the Group's financial position and results of operations.

The values of some of the projects in Group's investment portfolio are significantly greater than others. For example, approximately 48 per cent. of the Gross Value of the Group's investment portfolio as at 30 September 2014 was attributable to seven projects, including the two Intercity Express Programme ("IEP") projects, the two Manchester Waste projects and the A1 Gdansk Poland project. Although these investments are diversified by sector and by geography, a substantial change in the value of any one of these projects could have a material impact on the Group's business, financial condition, results of operations and future prospects.

2. Risks relating to the Group's investments in Project Companies and other project-level risks

The Project Companies are structured as standalone, non-recourse SPVs. As a result, the project financing, activities, liabilities and performance obligations of each individual Project Company (including such Project Companies in which the Group owns a majority of the equity and which are "subsidiary undertakings" of the Company within the meaning of section 1162 of the Companies Act 2006) are ring-fenced from each other (with the exception of the project financing documents relating to the two Manchester Waste projects) and from the Group as a whole. The Group's commitments as a shareholder and subordinated debt provider to each of the Project Companies (including majority-owned Project Companies) are limited to its investment amount. If the risks described below were to occur in relation to one of the Project Companies, the value of the Group's *investment in the affected Project Company, as well as the timing and quantum of distributions from such Project Company, could be negatively impacted. However, because such risks are generally borne by the affected Project Company with no recourse to the Group as a whole, their manifestation may not individually have a material adverse effect on the Group. Nevertheless, the manifestation of any of these risks in relation to multiple Project Companies simultaneously, or to a Project Company in which the Group's investment comprised a significant portion of the Group's total investment portfolio, could adversely affect the total value of the Group's investment portfolio and the cash yields from the portfolio, which in turn could have a material adverse effect on the Group's business, results of operations, financial condition and future prospects.*

2.1 Adverse financial performance by a Project Company which affects the financial covenants in its project finance loan documents may result in the Project Company being unable to make distributions to the Group and other shareholders or subordinated debt providers and may enable senior project finance debt providers to declare default of the financing terms and exercise their security.

The covenants provided by each of the Project Companies in connection with their respective senior debt are normally extensive and detailed. If certain covenants are breached, payments or distributions on the subordinated debt and equity (which are the type of investment instruments typically held by the Group) of the breaching Project Company are liable to be suspended.

If an event of default occurs, then the senior lenders may become entitled to step in and take responsibility for, or appoint a third party to take responsibility for, the Project Company's rights and obligations under the relevant project agreement, although the senior lenders will have no recourse against the Group beyond its investment commitment in such circumstances. Such event of default could ultimately give the relevant Governmental Entity the right to terminate the project which could result in a write-off of the Group's investment. The senior lenders may also be entitled to enforce their security over the breaching Project Company or over its assets and to sell such Project Company or its assets to a third party. While such enforcement of security and selling of assets have not affected any of the Project Companies during the period in which the Group has held an investment in such Project Companies to date, the Group is aware that such enforcement has affected other participants in the PPP market, and there is no guarantee that it will not happen to any of the Project Companies in the future. The consideration for any such sale is unlikely to result in any payment in respect of the Group's investment in the Project Company. Should payments be suspended or investments be sold in the manner described in this paragraph, the fair values of the investments in the affected Project Companies are likely to be reduced, perhaps significantly, which in turn could have a material adverse effect on the Group's business, results of operations, financial condition and future prospects.

2.2 The inability of a Project Company to refinance existing maturing medium-term project finance facilities periodically during the life of a project could affect the Group's future returns on investments from such projects.

Project finance arrangements may not provide for a loan term which coincides with the term of the relevant Project Company's PPP concession agreements, which are typically for a period of up to 30 years, or the lives of the relevant renewable energy assets. The project finance arrangements in respect of the Group's US, Continental Europe and UK investments are typically secured at financial close on terms that are similar to the underlying project concessions and at fixed rates of interest. The finance agreements in respect of its Australia and New Zealand investments are generally medium-term and require successive refinancings during the life of the project, although the first refinancing is always scheduled to occur after full debt drawdown on construction completion. There can be no assurance that the Project Companies will be able to renew their loans for projects on terms that are commercially acceptable or in the required amounts or at the required time. In such cases, the existing lenders may exercise their security and seek a sale of the affected Project Company or its assets to repay their loans. Alternatively, the terms upon which a refinancing can be secured may have a material and adverse effect on the distribution profile to shareholders and subordinated debt providers including the Group. These outcomes, in turn, could impact negatively the Group's valuation of its investment and its future returns on investments from the affected project, which could have a material adverse effect on the Group's business, results of operations, financial condition and future prospects.

2.3 The Project Companies can be subject to various complex regulations and any violations of or changes in such regulations could adversely impact the Group's investments.

The jurisdictions in which the Project Companies operate can impose a number of complex, demanding and changing legal, administrative and regulatory requirements. Examples of such requirements include, *inter alia*, building and construction laws and regulations, planning requirements, utilities regulations, employment laws, health and safety regulations and environmental and sustainability requirements. These regulations often rely on the judgment of the administering authorities in relation to enforcement. Violations of, or changes in, relevant law, regulations or policies, or the interpretation thereof, or delays in such interpretations being delivered, may delay or increase the cost of ongoing projects or subject the Project Companies to penalties, fines, criminal prosecutions, civil claims or other unforeseen costs or debarment, which could have an adverse impact on the fair value of the Group's investment in the affected Project Company and on the Group's other investments, prospects or future bids in the same jurisdiction. This in turn could have a material adverse effect on the Group's business, results of operations, financial condition and future prospects.

2.4 Project Companies are exposed to counterparty credit risk with regards to Governmental Entities, subcontractors, lenders, suppliers and consortium partners, including counterparties to renewable energy projects.

A key consideration for the Group prior to making an investment commitment is the creditworthiness of the commercial and financial counterparties involved in the project given that it is possible that Governmental Entities or other project clients, subcontractors, consortium partners, suppliers, or financial institutions such as banks and insurance providers ("counterparties") may become insolvent or default under their contracts. If a counterparty were to default on a payment or delivery obligation to a Project Company, such Project Company may be unable to meet its obligations to other counterparties.

As the Group expands its operations internationally, public sector counterparty risks may arise by virtue of investments in certain countries being subject to greater risks given the less developed PPP markets and/or lack of long term experience of PPP projects compared to other jurisdictions, such as the United Kingdom, as well as the lower credit rating of some public sector clients. With respect to state or local authorities, it cannot be assumed that the relevant central government will in all cases assume liability for the obligations of quasi-government agencies in the absence of a specific guarantee. In addition, there can be no assurance that central governments will themselves never default on their obligations.

If a counterparty, such as a Governmental Entity, subcontractor, supplier or consortium partner, including a counterparty to a renewable energy project, were to become insolvent or otherwise be unable to meet its obligations in connection with a particular project, the affected Project Company may need to find a replacement to carry out that party's obligations, which may increase the costs of such project or reduce its revenue. In extreme cases, this could lead to the failure of a project in its entirety, which would require a write-down of the Group's investment in such project, which in turn could materially adversely affect the Group's business, results of operations, financial conditions and future prospects.

For example, the success of the Group's investment in the IEP (Phase 1) project, in which the Group owns a 24 per cent. interest alongside consortium partners Hitachi Rail Europe ("Hitachi") and Metlife, is dependent on Hitachi's delivery of the high-speed trains (which are the underlying assets to be delivered by the Consortium) which will operate on the Great Western Rail network in the United Kingdom. While there is no cross-default provision between the IEP Phase 1 project and the IEP Phase 2 project, a failure to successfully deliver trains for IEP Phase 1 could be followed by a failure to deliver acceptable trains for IEP Phase 2.

A default by a financial counterparty in respect of contracts, such as bank facilities, interest rate swaps and other hedging arrangements, could also impose costs on the affected Project Company associated with replacing such facilities, swaps or financial derivatives, and additional costs associated with any related loss of liquidity or exposure to unhedged interest rate and currency risk could be incurred. If the institutions and lenders, including banks, with which a Project Company does business, or to which securities have been entrusted, were to encounter financial difficulties, it may impair the Group's investments or such Project Company's operational capabilities or capital position.

Accordingly, any significant defaults, financial difficulties or performance delays on the part of public sector, commercial or financial counterparties could increase costs or liabilities for the affected Project Company and adversely impact its profitability and financial condition, which in turn, could have a material adverse impact on the Group's business, prospects, results of operations and financial position.

2.5 The Project Companies may be exposed to changes in taxation in the jurisdictions in which they operate.

The Project Companies account for and pay tax in the jurisdictions where they are resident and, if applicable, in any other jurisdiction in which they have a permanent establishment or other taxable presence. Significant changes to and interpretation of tax laws and regulations, including changes in the basis or rate of corporation tax, withdrawal of allowances or credits, or imposition of new taxes in any of the jurisdictions in which the Project Companies operate, could have a material impact upon the Project Companies' tax charges. For example, changes to tax laws based on recommendations made by the OECD in relation to the BEPS project (as described in paragraph 1.14 above) could have a material impact upon the Project Companies' tax charges, which could impact negatively the fair value of the Group's investment in the affected Project Companies. This in turn could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

2.6 A Project Company could be liable to Governmental Entities or other project clients for damages and could be subject to criminal liability and the John Laing brand could be damaged if information systems are breached or client data is compromised.

Project Companies may be liable to Governmental Entities or other project clients for the disclosure of confidential information as a result of system failures or otherwise. Project Companies, in particular, those in the social infrastructure sector, may be required to collect and store sensitive or confidential client data to perform the services they provide under their contracts with Governmental Entities. These contracts may not limit a Project Company's potential liability for breaches of confidentiality, although the non-recourse nature of the Group's investment commitments in Project Companies ring-fences liability at the project level (including in respect of majority-owned Project Companies). If any person, including any of the current or former employees of the affected Project Company, penetrates such Project Company's network security or misappropriates sensitive data or if the affected Project Company does not adapt to changes in data protection legislation, it could be subject to significant liabilities to Governmental Entities or other project clients, or to the people for whom such Project Company performs services on behalf of such project clients, for breaching contractual confidentiality provisions or privacy laws, as well as reputational damage. For example, authorities in Australia and New Zealand require compliance with the duties of confidentiality and restriction of access to information under Probity Deeds which are executed in connection with bidding for public projects. In turn, any lack of compliance can result in serious reputational issues which could cause major damage to prospects on future bids, in addition to the consequences of breach in relation to the bid concerned.

A Project Company may also be subject to civil actions and criminal prosecution by Governmental Entities for breaches of applicable data protection laws. Any mismanagement, breach or resulting litigation could have a negative impact on the value of the Group's investment in the affected Project Company and/or the reputation of the Group, which in turn could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

2.7 The political and economic climate in the European Union could impact the value of, or the return generated from, any or all of the Group's investments located in the European Union.

Political and economic changes in the European Union, such as the full or partial break-up of the Eurozone, the withdrawal of the United Kingdom from the European Union or the depreciation of the Euro, could have a significant impact on the fair value of the Group's investments in Project Companies located in the European Union. Such changes could result in heightened counterparty risk at a project level as well as adversely affect the management of market risk and in particular asset and liability management due, in part, to redenomination of financial assets and liabilities at a project level. Should the scope and severity of the adverse economic conditions currently experienced by some Member States and elsewhere worsen, the risks faced by Eurozone domiciled Project Companies would be exacerbated. In addition, the Group's or a Consortium's bidding activity may be suspended in certain Member States as a result of such factors. Developments relating to the current economic conditions and unfavourable financial environment, including those discussed above, could have a material adverse effect on the fair value of the Group's investments in Project Companies located in Europe as well as the extent of the Group's or a Consortium's bidding activity within the Eurozone, which in turn could have a material adverse effect on the Group's business, prospects, results of operations and financial position.

2.8 A Project Company may fail to manage contracts efficiently or effectively.

The success of a Project Company depends in part on managing multi-year contracts between such Project Company, on the one hand, and Governmental Entities or other project clients, on the other hand, efficiently and effectively in order to adequately safeguard such Project Company against risk and ensure profitability. Project Companies must also manage subcontracts through which risks are passed to construction contractors and service providers, must manage these contracts in accordance with their terms and must adapt to developing and unanticipated circumstances during the life of a project. A failure to deploy sufficiently capable project managers, a failure to manage relationships with and the performance of subcontractors or a lack of focus on service quality and client relationships could result in delayed or substandard completion of a project, poor performance and a reduction in the financial return to investors in the Project Company which could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

2.9 To the extent that a Project Company's actual costs incurred differ from forecast costs, for example, because of late construction or that the asset(s) of an availability-based Project Company concession is/are not available for use, and costs and/or performance deductions cannot be passed on to subcontractors or other third parties, investment returns may be adversely affected.

Infrastructure projects rely on large and detailed financial models to project, *inter alia*, the construction cost of the relevant infrastructure, the costs of service provision and maintenance and the costs of debt service, taxation and shareholder distributions. Furthermore, such models also project revenues from Governmental Entities or in respect of energy generation. Such models may also contain macro assumptions relating to future trends such as tax rates, foreign exchange, interest rates and rates of inflation (to the extent not hedged or borne by the relevant Governmental Entity or other counterparty). These assumptions may prove to be inaccurate and thus the outputs projected to be received in the financial models at any time may not be actually realised by the Project Company. As a result, the fair value of the cash flows to equity from the affected Project Companies may be reduced.

During the construction phase of a project, the Group's investment returns may be adversely affected if construction costs are greater than expected. In addition, significant additional financial costs can be incurred where construction milestones are not met or a project is not delivered on time. While John Laing's policy is to invest in Project Companies that allocate substantially all construction delay risk through their subcontracting arrangements, which typically include fixed-price, date-certain subcontracts, and to select subcontractors with experience and financial strength, there can be no assurance that such risks can be passed on in whole or in part to subcontractors or any other parties. In addition, the Group's investment returns may be adversely affected if components of the assets or the assets themselves do not, once operational, perform as forecast or are otherwise unavailable for use. Where such construction, operational and performance risks are not borne by subcontractors, Governmental Entities or other project clients or other parties along the supply chain, this could result in a decrease in the operating profit and cash flows of the affected Project Company and its ability to make distributions or the termination of its project.

During the life of a project, components of the underlying assets relating to the project (such as elevators, roofs, air handling plant, road pavement, turbines and other structures) may need to be replaced or undergo major refurbishment. Shorter than anticipated asset lifespans or higher replacement costs or inflation higher than forecasted may result in such lifecycle costs being much higher than anticipated. Conversely, longer lifespans and lower than forecast inflation may result in lifecycle costs being less than anticipated.

Practice in respect of the allocation of lifecycle expenditure risk varies, and it may be retained by a Project Company or subcontracted to a third party. A failure to accurately estimate lifecycle costs by a Project Company and retain or accumulate sufficient cash balances to meet such costs could impact negatively the fair value of the equity cash flows of the affected Project Companies. This in turn could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

2.10 In circumstances where revenue from a PPP project is related to patronage (i.e. customer usage), actual revenues may vary materially from assumptions at the time the investment commitment is made.

The Group may invest in PPP projects which have demand-based concessions where the payments received once the underlying infrastructure asset is operational depend on the level of use made of the asset. Such projects accounted for approximately 6 per cent. of the Portfolio Book Value of the Group's investment portfolio as at 30 September 2014. For example, revenues from the A1 Germany project in which the Group has an investment are based on the actual volume of traffic on the A1 road. During the year ended 31 December 2012, the Group wrote-off its investment of £34.1 million in the project in anticipation that traffic volumes on this tolled road would not recover sufficiently over the life of the concession to see any return of capital for equity investors. There is a risk that the level of use of similar assets and therefore the fair value of such investments will be lower than expected. Other PPP projects (including 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. The amount of additional revenue received from any such activities may be variable and less than projected. There is a risk that the level of use of PPP project assets and therefore the returns from such Project Companies will be different to those expected, which could in turn have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

2.11 Revenues from renewable energy projects may be affected by the volume of power production, restrictions on the electricity grid and other factors such as noise restrictions, as well as by changes in electricity prices.

The revenues from renewable energy projects are reliant in part on the amount of energy generated, and thus may be exposed to the risk that volumes fall below projections, which would result in a reduction in expected revenues for these Project Companies. For example, revenues relating to wind farm or solar photovoltaic ("solar PV") park projects will be dependent upon the meteorological conditions and efficiency and reliability of the installed equipment at such projects invested in by the Group as well as site-specific conditions. Meteorological conditions at any site can vary across seasons and time. Variations in meteorological conditions can occur as a result of fluctuations in the levels of wind and sunlight on a daily, monthly and seasonal basis, and over the long term as a result of more general changes or trends in climate. Any such variations affecting wind or sunlight could have a material adverse effect on the revenues from the Group's investments in renewable energy projects. Biomass investments may be affected by the efficiency and reliability of the installed equipment as well as by access to sufficient fuel supplies at the right cost and of the right quality.

Revenues from renewable energy projects may also be affected by restrictions on the electricity grid and other factors such as noise restrictions, as well as by changes in electricity prices. The wholesale market price of electricity is volatile and is affected by a variety of factors, including market demand for electricity, the generation mix of power plants, availability and price of sources of generation, governmental support for various forms of power generation, as well as fluctuations in the market prices of commodities and foreign exchange. While some of the Group's renewable energy projects benefit from fixed prices or other governmental support mechanisms, others have revenue which is in part based on wholesale power prices.

A reduction in the wholesale market price for electricity or adverse wind conditions and/or levels of sunlight and/or significant electricity grid restrictions could all negatively affect the revenues generated by the renewable energy projects invested in by the Group, which could then have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

2.12 A major incident at any of the projects invested in by the Group, such as a terrorist attack or war, could lead to a loss of crucial business data, technology, buildings and reputation and harm to the public.

The operations and performance of the Project Companies may, directly or indirectly, be affected by reason of force majeure events, such as a terrorist attack or war, which are outside the control of the Group and the Project Companies and are not covered by insurance. The occurrence of such events may result in delay in a Project Company's construction activities in the primary stage or in an operational asset of a Project Company being unavailable for use. In particular, the impact of such events would be exacerbated in relation to projects in the social and transport sectors, such as hospitals or bridges. Such a catastrophic event could result in the personal injury or death of one or more persons, including employees of subcontractors working on the project or members of the public, significant environmental harm, and/or extensive damage to third party property. Under certain project agreements, the occurrence of a force majeure event may give rise to a right by the Governmental Entity to suspend payments (as well as a right by the affected Project Company to suspend performance) while the force majeure event persists. If such event were to continue for a protracted period of time (as specified in the relevant project agreements and which varies by project), it could give rise to a right by the Governmental Entity to terminate the project in its entirety, with limited or no compensation for the equity contributed by the Group to the affected Project Company.

The occurrence of force majeure events could therefore negatively impact the fair value of the Group's investment in the affected Project Company and in turn have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

2.13 The Project Companies may have inadequate insurance cover and may face increased costs to obtain insurance cover.

The insurance for each of the Project Companies and its contractual limitations on liability may not adequately protect an affected Project Company against liability for events involving, amongst other things, environmental liability or business interruption losses in excess of insurance cover. While the Group maintains insurance typical in size and scope for a business of the Group's nature and risk profile, the scope of insurance coverage for each project varies and is typically stipulated by the respective project agreements and is the responsibility of the relevant Project Company. Any claims made under an affected Project Company's insurance policies may cause such Project Company's premiums to increase. In addition, broader economic pressures may put pressure on insurance costs. Any future damage caused by the affected Project Company's services that are not covered by insurance, are in excess of policy limits, are subject to substantial deductibles or are not limited by contractual limitations of liability could have a negative impact on the fair value of the Group's investment in the affected Project Company, which in turn would have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

In addition, while the Project Companies review subcontractor insurance as part of their due diligence process, indemnities which such Project Companies receive from their respective subcontractors may not be easily enforced if the relevant subcontractors do not maintain adequate insurance. If a Project Company is unable to secure adequate insurance and/or is unable to be indemnified by its subcontractors due to their lack of adequate insurance, it could impact negatively the fair value of the Group's investment in the affected Project Company, which could in turn have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

2.14 Failure at the project level to obtain consents or waivers in respect of a Project Company's financing documents could result in a termination of the affected project(s) and/or a loss of the Group's investment in such project(s).

Failure at the project level to obtain waivers and/or consents in respect of a Project Company's financing documents could have a material adverse effect on such Project Company's ongoing business and/or operations. For example, if construction is delayed, for any reason, beyond the long-stop date set out in an affected Project Company's project financing documents and the lenders fail to waive such delay or fail to extend such long-stop date, such Project Company would be in breach of its project financing documents, which in turn could give the relevant lenders a right to stop providing financing to the affected project. For example, INEOS Runcorn (TPS) Ltd had to seek consent from lenders to extend the long-stop date contained in its project financing documents due to delays by its contractors in completing construction and commissioning. While in this case, the lenders consented to an extension, there can be no guarantee that the relevant lenders would do so in the future if there were further delays in the Manchester Waste TPS Co project or any of the Group's other projects. In extreme circumstances, a failure to obtain consent could lead to the termination of a project and the loss of an investment in its entirety, which would require a write-down of the Group's investment in such project, as well as in the case of the Manchester Waste projects, the trigger of cross-default in the respective project financing documents. Each of these consequences in turn could have a material adverse effect on the Group's business, results of operations, financial condition and future prospects.

3. Risks relating to the Group's external asset management business

3.1 The Group's external asset management business and the infrastructure investment advisory and management industries as a whole are sensitive to adverse economic, political and market factors that are beyond the Group's control.

As at 30 September 2014, the Group managed £965 million of assets on behalf of third parties ("External AUM") under arm's length investment management contracts with two (separately listed) infrastructure funds through a wholly owned subsidiary, John Laing Capital Management Limited ("JLCM"), comprising a portfolio value of £810 million for JLIF and a portfolio value of £155 million for JLEN (as at 30 September 2014). The Group also manages a small number of PPP assets held by JLPF. The infrastructure investment market in which JLCM offers its services is directly affected by many national and international factors that are beyond its control, such as the prevailing economic environment, including changes in inflation and interest rates and the supply and/or demand of new infrastructure projects.

In recent years, financial markets have been affected by the global financial crisis. Uncertain economic prospects or declines in financial markets could adversely affect the performance of the Group as an external investment adviser and its reputation.

Accordingly, any of these factors could lead to a reduction in the External AUM and/or the Group's fee income from investment management services, which in turn could have a material adverse effect on the Group's business, results of operations, financial condition and future prospects.

In addition, under the Investment Adviser Agreements (as defined in paragraph 3.3 below), JLCM receives an investment management fee from each of JLIF and JLEN, which is tied to the amount of assets JLCM manages for the relevant fund. If JLIF or JLEN were unable to maintain investor appetite for its fund or were unable to raise capital for any reason, it would have a negative impact on the amount of fees received by JLCM from the affected fund, which in turn could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

3.2 The past performance of JLIF and JLEN should not be considered indicative of the future performance of such funds or of the Group's future fee income from such funds.

The past performance of JLIF and JLEN is not a guarantee of future performance. The fee income earned by JLCM pursuant to its Investment Adviser Agreements (as defined in paragraph 3.3 below) with each of JLIF and JLEN is a percentage of the respective fund's "adjusted portfolio value", which approximates to the value of such fund's investment portfolio, at a particular point in time. The historical performance of JLIF and JLEN, respectively, (and thereby the growth in portfolio value of each fund) has benefited from investment opportunities and general market conditions that may not repeat themselves and there can be no assurance that the Group's strategies will result in profitable investments being sold to JLIF or JLEN in the future.

Poor performance of JLIF and JLEN could result in damage to the Group's brand as an investment adviser (as well as to the John Laing name which JLIF and JLEN use under licence), a reduction in External AUM and a corresponding reduction in fee income, any of which could have a material adverse effect on the Group's business, results of operations, financial condition and future prospects.

3.3 A loss of JLCM's investment adviser agreements with JLIF and JLEN, respectively, would be materially detrimental to the Group's asset management business.

JLCM provides investment management services (a) to JLIF pursuant to an investment adviser agreement dated 27 October 2010 (as amended and restated on 10 September 2014 and further amended on 18 December 2014, the "JLIF Investment Adviser Agreement") and (b) to JLEN pursuant to an investment adviser agreement dated 19 February 2014 (as amended on 21 March 2014 and 25 June 2014, the "JLEN Investment Adviser Agreement", together with the JLIF Investment Adviser Agreement, the "Investment Adviser Agreements").

JLCM's appointment pursuant to each respective Investment Adviser Agreement has an initial term of five years from 27 October 2010 (in the case of JLIF) and 31 March 2014 (in the case of JLEN), continuing thereafter unless terminated by JLCM, on the one hand, or JLIF and JLEN (as applicable), on the other hand, upon 12 months' notice (which may be given at any time after the fourth anniversary of the respective Investment Adviser Agreement).

If JLIF or JLEN were to terminate its respective Investment Adviser Agreement with JLCM, it would have a material adverse effect on the Group's External AUM and fee income from investment management services, which in turn could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

3.4 The ability of JLIF and JLEN to finance further investments may have an impact on both the Group's secondary market for investments in PPP and renewable energy projects and the Group's asset management business more generally.

To the extent that JLIF and/or JLEN cannot finance further investments for any reason, including a lack of cash reserves or an inability to borrow or issue further shares, the Group's ability to sell investments in PPP and renewable energy projects to either JLIF or JLEN may be significantly impaired. Under John Laing's first offer agreements with JLIF and JLEN, respectively (the "First Offer Agreements"), JLIF and JLEN (as applicable) have the right of first offer with respect to certain of the Project Companies in which John Laing seeks to dispose of its interest and which fall within the investment policy of the relevant fund. This arrangement benefits both JLIF and JLEN, on the one hand, which have a pipeline of investment opportunities, and John Laing, on the other hand, which has a natural buyer for the projects it seeks to dispose of that are within the scope of the First Offer Agreements. Accordingly, if JLIF or JLEN were unable to finance further investments in the projects in which the Group's interests are up for disposal, John Laing would have to seek and rely on other secondary market investors in order to realise the value of its investments in such projects. In such circumstances, there is no guarantee that the Group would be able to find suitable alternative investors, which could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

3.5 The Group may fail to manage conflicts of interest as investment adviser to JLIF and JLEN.

Given the nature of the Group's relationship with JLIF and JLEN, there may be circumstances in which the Group as investment adviser has, directly or indirectly, a material interest in a transaction being considered by JLIF or JLEN or a conflict of interest with it. Under the First Offer Agreements, JLIF and JLEN respectively have rights of first offer in relation to certain planned disposals of the Group's interests in Project Companies which fall within the investment objective of the relevant fund. While the JLCM fund management teams operate behind Chinese walls to ensure the separation of "buyside" and "sellside" teams where John Laing is selling investments to JLIF or JLEN, there is no assurance that the Group will not face conflicts in its duties to JLIF and/or JLEN, including as between them. The Group may suffer reputational damage or potential regulatory liability if its procedures and systems to identify, record and manage such potential conflicts of interest fail. Any such failures may negatively impact the Group's reputation and brand, and could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

3.6 The investment management industry is highly regulated and any regulatory non-compliance or adverse changes in the regulatory environment could have a material adverse effect on JLCM and consequently, the Group.

The FCA is the primary regulator of JLCM. The withdrawal of, or an amendment to, any regulatory approval required by JLCM or any of its directors or employees could result in the cessation of, or an adverse change in, JLCM's business or a part thereof.

The FCA has broad regulatory powers dealing with all aspects of financial services, including the authority to grant, and in specific circumstances to vary or cancel, permissions previously granted. The FCA has effected greater regulatory scrutiny over the financial institutions it regulates over the past year and it is expected that this will continue for the foreseeable future. The FCA and other regulators have in the past and may in the future make enquiries of companies operating within their jurisdiction regarding compliance with regulations governing the conduct of business or the operation of a regulated business and the handling and treatment of clients or conduct investigations where it is alleged that regulations (including insider trading laws) have been breached. Any regulatory proceedings resulting from such enquiries could result in adverse publicity or negative perceptions regarding JLCM and/or the Group, restrictions on business activities and/or key personnel or fines and other penalties, any of which could result in a loss of External AUM, as well as diverting the attention of John Laing's management from the day-to-day management of the Group. A significant regulatory action against JLCM could also lead to a reduction in the Group's fee income from investment management services and/or External AUM.

Changes in: (i) the extent of the FCA's oversight of JLCM; (ii) the FCA's interpretation or application of the current rules in respect of regulatory capital; or (iii) JLCM's regulatory capital requirements, could, in the longer term, have a negative impact upon the ability of JLCM to conduct its business, which in turn would have a material adverse effect on the Group's business, results of operations, financial condition and future prospects.

4. Risks relating to the Offer and the Shares

4.1 There is no existing market for the Shares and an active trading market for the Shares may not develop or be sustained.

The Company does not know the extent to which investor interest in the Shares will lead to the development of a trading market following Admission, how liquid that market might be or, if a trading market does develop, whether it will be sustainable. If an active and liquid trading market does not develop or is not sustained, the liquidity and trading price of the Shares could be materially adversely affected and prospective investors may have difficulty selling their Shares.

4.2 Shares in the Company may be subject to market price volatility, and the market price of the Shares in the Company may decline in response to developments that are unrelated to the Company's operating performance.

The Shares may be subject to market price volatility and the market price of the Shares may decline in response to developments that are unrelated to the Company's operating performance. The Offer Price is expected to be fixed by agreement between the Company and the Henderson Funds following consultation with the Joint Global Co-ordinators, and it may differ significantly from the market price for the Shares following the Offer. The Offer Price may bear no relationship to the price at which the Shares will trade following Admission. The market price of the Shares may be volatile and subject to wide fluctuations. The market price of the Shares may fluctuate as a result of a variety of factors, including, but not limited to, those referred to in these Risk Factors, as well as period-to-period variations in operating results or changes in revenue or profit estimates by the Company, industry participants or financial analysts. The market price of the Shares could also be affected by developments unrelated to the Company's operating performance, such as the operating and share price performance of other companies that prospective investors may consider comparable to the Company, speculation about the Company in the press or the investment community, strategic actions by competitors, including acquisitions and/or restructurings, changes in market conditions and regulatory changes in any number of countries, whether or not the Company derives significant revenue therefrom. Prospective investors may not be able to sell their Shares at or above the Offer Price.

4.3 The market price of the Shares could be negatively affected by sales of substantial amounts of such shares in the public markets, including following the expiry of the lock-up period, or the perception that these sales could occur.

Following Admission, the Henderson Funds and the Directors and Senior Management will own beneficially, in aggregate, 55.0 per cent. of the Company's issued ordinary share capital (assuming no exercise of the Over-allotment Option, that the Offer Price is set at the mid-point of the Price Range and that the Existing Share Offer Size is set at a level to achieve a free float of 45 per cent.) and 48.3 per cent. of the Company's issued share capital (assuming the Over-Allotment Option is exercised in full, that the Offer Price is set at the mid-point in the Price Range and that the Existing Share Offer Size is set at a level to achieve a free float of 45 per cent). The Company, the Directors, Senior Management and the Henderson Funds are subject to restrictions on the sale and/or transfer of their respective holdings (or, in the case of the Company, the issuance of new Shares) in the Company's issued share capital. The issue or sale of a substantial number of Shares by the Directors, Senior Management or the Henderson Funds in the public market after the lock-up restrictions in the Underwriting Agreement expire (or are waived by the Underwriters), or the perception that these sales may occur, may depress the market price of the Shares and could impair the Company's ability to raise capital through the sale of additional equity securities.

4.4 The Henderson Funds will retain a significant interest in and will continue to exert substantial influence over the Group following the Offer and its interests may differ from or conflict with those of other Shareholders.

Immediately following Admission, the Henderson Funds will continue to beneficially own between 39.9 per cent. and 69.9 per cent. of the issued ordinary share capital of the Company (assuming the Existing Share Offer Size is set within the Existing Share Offer Size Range and assuming no exercise of the Over-allotment Option). As a result, the Henderson Funds will possess sufficient voting power to have a significant influence over all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions. The interests of the Henderson Funds may not always be aligned with those of other holders of Shares.

4.5 The issuance of additional Shares in the Company in connection with future investments, any share incentive or share option plan or otherwise may dilute all other shareholdings.

The Company may seek to raise financing to fund future investments and other growth opportunities. The Company may, for these and other purposes, such as in connection with share incentive and share option plans, issue additional equity or convertible equity securities. As a result, the Company's existing Shareholders may suffer dilution in their percentage ownership or the price of the Shares may be adversely affected.

4.6 The Company's ability to pay dividends in the future depends, among other things, on the Group's financial performance and capital requirements and is therefore not guaranteed.

The Company's results of operations and financial condition are entirely dependent on the performance of the members of the Group, which includes proceeds received from disposals of the Group's interests in Project Companies. The Company's ability to pay dividends will depend, among other things, on its financial performance, any restrictions relating to regulatory capital in subsidiaries and the availability of distributable profits and reserves and cash available for this purpose. As a holding company, the Company's ability to pay dividends in the future is affected by a number of factors, principally the Company's ability to receive sufficient dividends from its subsidiaries and the extent to which those subsidiaries receive distributions from their investments in Project Companies as well as the ability of the Group to profitably dispose of its interests in Project Companies. The payment of dividends by the Group is also affected by the existence of sufficient distributable reserves and cash in its subsidiaries and Project Companies, legislatively imposed repatriation requirements in certain jurisdictions which are applicable to its subsidiaries and Project Companies and compliance with covenants in the Group's debt financing arrangements. In addition, the successful disposal of the Group's interests in Project Companies is dependent on various factors, including whether there is investor appetite in the secondary market for such Project Companies. Furthermore, the Company could choose to recycle profits received from such disposals into new primary and/or secondary investments which would limit the amount of distributable profits available for dividend payments. These restrictions and considerations could limit or prohibit the payment of dividends to the Company by its subsidiaries, which could restrict the Company's ability to pay dividends to Shareholders.

4.7 Shareholders in the United States or other jurisdictions may not be able to participate in future equity offerings.

The articles of the Company provide for pre-emptive rights to be granted to Shareholders, unless such rights are disapplied by a shareholder resolution. However, securities laws of certain jurisdictions may restrict the Company's ability to allow participation by Shareholders in future offerings. In particular, Shareholders in the United States may not be entitled to exercise these rights unless either the rights and Shares are registered under the US Securities Act, or the rights and Shares are offered pursuant to an exemption from, or transaction not subject to, the registration requirements of the US Securities Act.

4.8 Overseas shareholders may be subject to exchange rate risk.

The Shares are, and any dividends to be paid in respect of them will be, denominated in pounds sterling. An investment in Shares by an investor whose principal currency is not pounds sterling exposes the investor to foreign currency exchange rate risk. Any depreciation of pounds sterling in relation to such foreign currency will reduce the value of the investment in the Shares or any dividends in foreign currency terms.

4.9 The Company is not, and does not intend to become, regulated in the United States as an investment company under the US Investment Company Act. As a result, transfer restrictions for Shareholders in the United States or that are US persons (as defined in Regulation S) have been imposed and may make it difficult to resell the Shares or may have an adverse impact on the market price of the Shares generally.

The Company has not been, does not intend to be, and would most likely be unable to become, registered in the United States as an investment company under the US Investment Company Act and is relying on the exemption provided by Section 3(c)(7) thereof. The US Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies. As the Company is not so registered and does not plan to be registered, none of these protections or restrictions is or will be applicable to the Company. As a result of the Section 3(c)(7) exemption relied on, there are additional restrictions on the resale of Shares by Shareholders who are in the United States or who are US persons (as defined in Regulation S) and on the resale of Shares by any Shareholders to any person who is in the United States or is a US person. These restrictions will make it more difficult to resell the Shares, other than in "offshore transactions" within the meaning of Regulation S, and this could have an adverse effect on the market value of the Shares generally. There can be no assurance that US persons will be able to locate acceptable purchasers or obtain the required certifications to effect a sale.

4.10 The Company may be a passive foreign investment company ("PFIC") for US federal income tax purposes for any taxable year, which could result in adverse US federal income tax consequences for US investors.

A non-US corporation will be a PFIC for any taxable year if either: (i) at least 75 per cent. of its gross income is "passive income" or (ii) at least 50 per cent. of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income. For purposes of the above calculations, a non-US corporation that directly or indirectly owns at least 25 per cent. by value of the shares of another corporation is treated as if it directly held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes dividends, interest, rents, royalties and capital gains. If the Company were a PFIC for any taxable year during which a US investor owned the Offer Shares, such US investor might then be subject to certain adverse US federal income tax consequences, including increased tax liability on gains from dispositions of the Offer Shares and certain distributions and a requirement to file annual reports with the Internal Revenue Service. Based on all information available to the Company, it has no reason to expect to be treated as a PFIC. However, no definitive determination of the Company's status can be made so there can be no assurance in this regard. US investors should consult their own tax advisers regarding the PFIC status of the Company and its subsidiaries, as well as the US federal income tax consequences that apply to an investment in a PFIC.

PART 2
PRESENTATION OF FINANCIAL AND OTHER INFORMATION

1. General

Investors should only rely on the information in this document. No person has been authorised to give any information or to make any representations in connection with the Offer, other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, the Selling Shareholder, any of the Banks or the Financial Adviser. No representation or warranty, express or implied, is made by any of the Banks or any selling agent as to the accuracy or completeness of such information, and nothing contained in this document is, or shall be relied upon as, a promise or representation by any of the Banks or any selling agent as to the past, present or future. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to FSMA, neither the delivery of this document nor any subscription or sale of Shares pursuant to the Offer shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Group since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

The Company will update the information provided in this document by means of a supplement hereto if a significant new factor that may affect the evaluation by prospective investors of the Offer occurs after the publication of the Prospectus or if this document contains any mistake or substantial inaccuracy. The Prospectus and any supplement thereto will be subject to approval by the FCA and will be made public in accordance with the Prospectus Rules. If a supplement to the Prospectus is published prior to Admission, investors shall have the right to withdraw their applications for Shares made prior to the publication of the supplement. Such withdrawal must be made within the time limits and in the manner set out in any such supplement (which shall not be shorter than two clear business days after publication of the supplement).

The contents of this document are not to be construed as legal, business or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice. In making an investment decision, investors must rely on their own examination, analysis and enquiry of the Company and the terms of the Offer, including the merits and risks involved.

This document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, the Selling Shareholder, or any of the Banks or any of their representatives that any recipient of this document should subscribe for or purchase the Shares. Prior to making any decision as to whether to subscribe for or purchase the Shares, prospective investors should read this document. Investors should ensure that they read the whole of this document carefully and not just rely on key information or information summarised within it.

Investors who subscribe for or purchase Shares in the Offer will be deemed to have acknowledged that: (i) they have not relied on any of the Banks, the Financial Adviser or any person affiliated with any of them in connection with any investigation of the accuracy of any information contained in this document or their investment decision; and (ii) they have relied on the information contained in this document, and no person has been authorised to give any information or to make any representation concerning the Group or the Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the Directors, the Selling Shareholder, any of the Banks or the Financial Adviser.

None of the Company, the Directors, the Selling Shareholder or any of the Banks or any of their representatives is making any representation to any offeree, subscriber or purchaser of the Shares regarding the legality of an investment by such offeree, subscriber or purchaser.

In connection with the Offer, the Banks and any of their respective affiliates, acting as investors for their own accounts, may subscribe for and/or acquire Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Company or related investments in connection with the Offer or otherwise. Accordingly, references in this document to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue, offer, subscription, acquisition, dealing or placing by, the Banks and any of their affiliates acting as investors for their own accounts. None of the Banks intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

2. Presentation of financial information

The financial information in this Prospectus, including the financial information in Part 11 "Combined Historical Financial Information" (the "Combined Historical Financial Information"), comprises the combined results of John Laing Group plc and Henderson Infrastructure Holdco Limited ("HIHL") and its subsidiaries (together, the "Group").

The Combined Historical Financial Information has been prepared in accordance with the requirements of the PD Regulation and the Listing Rules, and has been prepared in accordance with IFRS as adopted by the European Union, except as set out below. The Group's financial year runs from 1 January to 31 December.

Following the Reorganisation described in Part 14 "Additional Information", on Admission, the Company will own the entire share capital of HIHL and its subsidiaries. The Combined Historical Financial Information included in this Prospectus therefore presents the results of the Company and HIHL and its subsidiaries on a combined basis, in accordance with the accounting conventions described in SIR 2000 issued by the UK Auditing Practices Board. Such presentation is not in compliance with IFRS because the Reorganisation has yet to occur. All intra-group transactions, balances, income and expenses are eliminated on combination. The basis of preparation of the Combined Historical Financial Information is further described in note 2 of Part 11 "Combined Historical Financial Information".

Whilst not considered a departure from IFRS, the Group has not presented earnings per share data on the basis that such a measure is not meaningful in the context of the Combined Historical Financial Information where the share capital of the Company and HIHL has been aggregated.

The significant accounting policies are set out within note 2 of Part 11 "Combined Historical Financial Information". Unless otherwise stated in this Prospectus, financial information in relation to the Group referred to in this Prospectus has been extracted without material adjustment from Part 11 "Combined Historical Financial Information" or has been extracted from the Group's accounting records that have been used to prepare that financial information. Investors should ensure that they read the whole of this Prospectus and not only rely on the key information or information summarised within it.

Unless otherwise indicated, none of the financial information relating to the Group or any operating information relating to the Group has been audited (even where such operating information includes certain financial metrics). None of the financial information used in this Prospectus has been audited in accordance with auditing standards generally accepted in the United States ("US GAAS") or auditing standards of the Public Company Accounting Oversight Board (United States) ("PCAOB").

The Company meets the definition of an investment entity as set out in IFRS 10 Consolidated Financial Statements. Investment entities are required to account for all investments, including subsidiaries, associates and joint ventures, at fair value through profit or loss, except for those subsidiaries that provide services that relate to the investment entity's investment activities. Such subsidiaries are consolidated, rather than recorded at fair value through profit or loss.

The impact of applying investment entity accounting on the Combined Historical Financial Information is as follows:

- transactions and balances receivable or payable between entities held at fair value and those which are consolidated are not eliminated;
- all amounts in the combined income statement in relation to entities held at fair value, including those relating to income, costs, finance costs, taxation, and dividends, are presented within the line item "net gain on investments at fair value through profit or loss";
- all balances in the combined balance sheet in relation to entities held at fair value, including all assets and liabilities, are presented within the line item "investments at fair value through profit or loss"; and
- cash outflows and inflows occurring within the entities held at fair value are not presented in the Group's combined cash flow statement as such entities are not consolidated.

3. Non-IFRS financial information

The Group presents certain financial measures that are not defined under IFRS but that it finds useful in analysing its results. These measures include annualised rate of return ("ARR"), money multiple ("MM"), hold-to-maturity internal rates of return ("HTM IRR"), Gross Value, adjusted net asset value ("Adjusted

NAV") and cash yield from investments, which do not form part of the Group's accounting records and are not subject to an audit or review process by the Group's independent external auditors or reporting accountants. In calculating these measures, the Group maintains detailed financial models for each of the PPP and renewable energy projects in which it invests which reflects the specifics of the relevant project and that forecast, *inter alia*, the revenues, costs, debt service, tax and equity cash flows for the project, typically on a semi-annual basis, from financial close until the end of the project's life.

Typically, financial models are built by third party professional firms initially during the bidding phase of a project (the "financial close model"). Then, early during the operational phase of the project, the financial close model may be amended or rebuilt either to reflect material contract changes or to make it more functional for reporting purposes (the "operational model"). This often involves a simplification of the financial model as detailed construction phase calculations are no longer required and can be replaced with actual historic data. Both the financial close model and any operational model will be the subject of an independent review before being accepted by the Project Company and senior debt providers for project purposes.

Each financial model requires a large number of assumptions in order to be able to forecast the financial performance of a project. The source of the assumptions may be the terms of the project contracts (for example, the construction price and the construction payment schedules from the construction contract, the availability payments from the project agreement, the service payments to the operations subcontractor) or the financing documents (such as the senior debt amount, the drawdown terms, the interest margin, the fees and the interest swap rates) or applicable laws (for example, tax rates and tax allowances) or more general economic assumptions (such as power prices, inflation or the interest rate that might be earned on cash deposits). Financial models are kept under regular review, and changes may require the approval of the senior debt lenders. The Group uses these financial models as the source for the equity cash flows it uses in its investment portfolio valuations and more generally in its business forecasting. In estimating the equity cash flows from project financial models, the Group may make adjustments for matters which it considers should be properly reflected. Examples of such adjustments might be revised timings of equity cash flow receipts due to project delays, additional costs in relation to outstanding disputes, expected savings in future costs based upon the Group's experience or additional revenues from the use of an asset after a PPP concession contract expires.

Because of the discretion that the Group and other companies have in defining these measures and calculating the reported amounts, care should be taken in comparing these various measures with similar measures used by other companies. These measures should not be used as a substitute for evaluating the performance of the Group based on its audited income data and balance sheet data.

3.1 HTM IRR

"HTM IRR" is the hold-to-maturity internal rate of return. The HTM IRR is calculated on the actual and estimated post-tax cash flows, including all equity and debt payments received by the Group from Project Companies ("post-tax cash flows") on the assumption that a project is held for the remainder of (i) its PPP concession life (and in some circumstances beyond where the assets continue to be owned by the Project Company and have a continuing economic life) in the case of PPP projects or (ii) the length of its land lease in the case of renewable energy projects.

The HTM IRR at financial close is thus the forecast return for John Laing as an equity investor based on the cash flows forecast over the life of the project (typically up to 30 years) using the financial close model and the assumptions used to prepare that model. The HTM IRR thereafter will be derived from equity cash flow forecasts from the latest version of the project's financial model (with updated assumptions) together with any actual cash flows that have occurred between John Laing and the relevant Project Company (such as equity subscriptions and distributions) since financial close.

3.2 ARR

"ARR" means the annualised rate of return. It is expressed as a percentage and is calculated using the following formula: (a) / (b) / (c), where:

(a) is the capital uplift on an investment, calculated as all post-tax cash flows received by the Group from its investment in a project including disposal proceeds (and any cash distributions prior to disposal) minus the total equity funds invested by the Group into the project;

(b) is the period expressed in years over which the Group has held its investment in the project (the period from financial close/the date of acquisition to the divestment date); and

(c) is the total equity funds invested by the Group into the project.

ARR, unlike HTM IRR, is not affected by the timing of when John Laing's equity is injected into the project.

3.3 MM

"MM" means the money multiple expressed by the fraction (x) / (y), where (x) equals all post-tax cash flows received by the Group from its investment in a project including disposal proceeds (and any cash distributions prior to disposal); and (y) equals the total equity funds invested by the Group into the project.

MM is considered by the Group as an investment metric because it is an indicator of the scale of investment gain compared to original cost.

3.4 Gross Value

"Gross Value" is the fair book value of the Group's investment in a project ("Portfolio Book Value"), plus the amount of future investment that has been committed to such projects secured by letters of credit ("LCs") or cash collateral and, as at 31 December 2012 and 2011, parent company guarantees. The reconciliation of Portfolio Book Value to Gross Value in respect of the Group's entire portfolio is as follows:

	As at 30 September	As at 31 December		
	2014	2013	2012	2011
		(£ millions)		
Portfolio Book Value	781	684	575	541
Cash collateral	48	8	10	—
LCs outstanding	242	159	182	186
Parent company guarantees supporting future investment commitments	—	—	13	16
Portfolio Gross Value	**1,071**	**851**	**780**	**743**

For a further discussion of these measures (i) in relation to the Group's business model, see paragraph 3 "John Laing's Business Model" in Part 6 "Business Description, or (ii) in the context of the Group's results of operations for the years ended 31 December 2013, 2012 and 2011 and the nine months ended 30 September 2014, see Part 9 "Operating and Financial Review".

3.5 Adjusted NAV

"Adjusted NAV" comprises net assets or net liabilities excluding shareholder loans which were part waived and part capitalised on 27 January 2015 as part of the Reorganization described in paragraph 1.11 of Part 14 "Additional Information".

3.6 Cash yield from investments

"Cash yield from investments" comprises payments from a Project Company, either in the form of dividends (on capital provided in the form of equity) or debt interest and repayments (in respect of capital provided in the form of a subordinated shareholder loan), and dividends from John Laing's shareholding in JLIF (held between November 2010 and March 2014). Cash yield from investments is considered by the Group as a useful investment metric because it is a return on investments held.

4. Other performance indicators

In addition to the non-IFRS measures described above, the Group uses certain other performance indicators as supplemental measures of its performance and believes it is relevant to the evaluation of companies in its industry.

4.1 New investment commitments

John Laing's business model aims to secure new PPP and renewable energy investments at attractive risk-adjusted base case HTM IRRs in its target sectors and geographies. In order to secure new investments, John Laing or a Consortium enters competitive procurement processes (or 'bids') where the outcome is uncertain and John Laing or a Consortium may not ultimately be successful in securing an investment.

PPPs are procured by Governmental Entities and are publicly advertised. Consortia are typically formed to bid for a PPP to deliver a range of defined services during the concession period, often including a mixture of design, construction, maintenance and service delivery. Consortia are also typically required to arrange the financing of a project, which will include a portion of equity finance. John Laing's economic interests in a project are mainly concerned with investing equity as part of the financing package, although other services may be provided to a project by the Group, such as project management services. John Laing will also typically take a leading role in managing the bid process and setting the bid consortium strategy. Multiple consortia will typically bid for a project and ultimately it is a decision for the Governmental Entity responsible for procuring the project, as to which consortium offers the best value for money solution and best prospects for service delivery. Once a preferred consortium has been selected, a process that can take many months (if not years), the preferred bidder finalises all contracts and service delivery plans and binding contracts are entered into including committed financing ("financial close"). Financial close is the point when equity investors, including John Laing, commit to an investment.

Renewable energy opportunities typically derive from private auction processes or negotiations. John Laing targets renewable energy schemes at the pre-construction phase where planning consent has been granted but project finance, including equity, needs to be structured and secured. John Laing will seek to acquire the project 'rights' from a vendor, which include viability studies, natural resource assessments, preliminary agreements with subcontractors and technology supplies, lease agreements and power connection agreements. John Laing will fund this purchase by way of an initial equity investment. John Laing will then develop all the required contracts and arrange project finance. The point at which contracts are signed, including finance (i.e. financial close), is when John Laing will commit to a further equity investment. For renewable energy investments, John Laing typically does not form part of a Consortium.

For more information on the bid process see paragraph 6.1 in Part 6 "Business Description".

During the PPP or renewable energy procurement or auction process, John Laing has no certainty over which schemes it will be successful on as this decision ultimately lies at the discretion of the Governmental Entity or private vendor, respectively. It is therefore necessary for John Laing to bid for multiple opportunities to ensure that it is successful on a sufficient number to achieve its targeted new investment commitments in a given year. John Laing's ability to maintain multiple bidding processes in its target geographies and sectors at its targeted risk-adjusted returns is dependent on there being a bid pipeline of sufficient size and sufficient opportunities being procured in the investment time horizon targeted by the Group.

The propensity for a bid to be converted into a future equity commitment is expressed as a "Win Rate" and is described in further detail in paragraph 4.3 below. As John Laing experiences a lower Win Rate, it is necessary for a greater number of bids to be pursued for the Group to successfully deliver on its targeted new investment commitments, which may or may not be possible given the size of its pipeline and the time horizon for such bids to reach financial close. Conversely, a higher Win Rate will mean fewer bids being necessary for John Laing to deliver its new investment commitment targets, or such targets being exceeded.

4.2 Investment pipeline

The Group's current investment pipeline comprises the Group's potential investment commitment in identified PPP and renewable energy project opportunities that are expected to be procured or be available in the near term (as described below), and includes, *inter alia*, project opportunities where John Laing or a Consortium is either shortlisted or has already been appointed preferred bidder (in the case of PPP projects), or has secured exclusive positions (in the case of renewable energy projects).

In this Prospectus, the PPP pipeline, as at 30 September 2014, comprised potential opportunities expected to reach financial close during the course of the following three years while the renewable energy pipeline comprised potential opportunities expected to reach financial close during the course of the following two years. John Laing's investment pipeline evolves as specific opportunities are removed and new opportunities at any stage are added. This can include opportunities which are about to reach financial close shortly. Actual bidding activity is predicated upon the opportunities and investment capital available at the time of bidding, as well as a determination at such time as to which projects will be economically favourable. Movement in the pipeline over time can be attributable to, *inter alia*, the Group targeting higher volumes of investments and larger projects as well as the number of PPP tenders announced by Governmental Entities, the Group's own strategic decision to bid for certain contracts, the Group's or a Consortium's win (or loss) or withdrawal from bidding of contracts, an expansion in the geographies or markets in which the Group considers investing, availability of renewable energy projects and improvements in the visibility of potential bids.

4.3 Win Rate

The Group uses "Win Rate" in its budgeting for allocation of future bid costs based on targeted new investment commitment.

The Group's bidding Win Rate for a particular period is calculated by reference to the value of John Laing's potential PPP investment commitments in respect of which John Laing or a Consortium is successfully appointed as preferred bidder in that period (i.e. a win), as a percentage of the total value of John Laing's potential PPP investment commitments in the same period in respect of which the Group or a Consortium has been shortlisted for projects and preferred bidder status has been subsequently reached for such shortlisted projects, either by the Group or a Consortium or a third party (i.e. all won or lost bids, rather than the investment pipeline as a whole). In view of the multi-year length of PPP procurements and the variation in the size of the value of PPP projects, short-term trends and the Group's short-term Win Rate can vary significantly from period to period. The Win Rate concept is not directly applicable to investments in renewable energy projects as these projects are not subject to a formal procurement process, with John Laing typically negotiating and investing in renewable energy projects as opportunities arise.

For a further discussion of these measures in the context of the Group's results of operations for the years ended 31 December 2013, 2012 and 2011 and the nine months ended 30 September 2014, see Part 9 "Operating and Financial Review".

4.4 External AUM

External AUM comprise John Laing's assets under management on behalf of third parties, including JLIF and JLEN. John Laing's External AUM as at 30 September 2014 were £965 million. As at 31 December 2013, 2012 and 2011, John Laing's External AUM were £796 million, £537 million and £380 million, respectively.

5. Currency presentation

Unless otherwise indicated, all references in this document to "sterling", "pounds sterling", "GBP", "£", or "pence" are to the lawful currency of the United Kingdom. The Company prepares its financial statements in pounds sterling. All references to the "euro", "€" or "EUR" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended. All references to "US dollars", "US$" or "USD" are to the lawful currency of the United States. All references to "Canadian dollars", "C$" or "CAD" are to the lawful currency of Canada. All references to "Australian dollars", "AUD$" or "AUD" are to the lawful currency of Australia. All references to "New Zealand dollars" or "NZD" are to the lawful currency of New Zealand. All references to "Swedish Krona" or "SEK" are to the lawful currency of Sweden.

The following tables set out, for the periods set forth below, the high, low, average and period-end Bloomberg Composite Rate expressed as US dollar per £1.00 and euro per £1.00. The Bloomberg Composite Rate is a "best market" calculation, in which, at any point in time, the composite bid rate is equal to the highest bid rate of all currently active, contributed, bank indications, and the composite ask rate is equal to the lowest ask rate offered by these same bank indications. The Bloomberg Composite Rate is a mid-value rate between the composite bid rate and the composite ask rate. The rates may differ from the actual rates used in the preparation of the combined historical financial information and other financial information appearing in this Prospectus.

The average rate for a year, a month, or for any shorter period, means the average of the daily Bloomberg Composite Rates during that year, month, or shorter period, as the case may be.

Period (Year/Month)	Period end	Average	High	Low
		(US dollar per £1.00)		
2009	1.6148	1.5659	1.7017	1.3703
2010	1.5591	1.5457	1.6377	1.4324
2011	1.5509	1.6037	1.6694	1.5390
2012	1.6242	1.5850	1.6276	1.5295
2013	1.6566	1.5648	1.6566	1.4858
2014	1.5515	1.6474	1.7165	1.5515
January 2015 (to 27 January)	1.5199	1.5171	1.5579	1.5018

Period (Year/Month)	Period end	Average	High	Low
		(euro per £1.00)		
2009	1.1269	1.1229	1.1851	1.0414
2010	1.1665	1.1663	1.2358	1.0961
2011	1.1967	1.1526	1.2042	1.1071
2012	1.2307	1.2331	1.2863	1.1789
2013	1.2014	1.1779	1.2328	1.1431
2014	1.2874	1.2409	1.2874	1.1912
January 2015 (to 27 January)	1.3388	1.2990	1.3388	1.2726

Source: Bloomberg

6. Roundings

Certain data in this document, including financial, statistical, and operating information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100 per cent.

7. Market, economic and industry data

Unless the source is otherwise stated, the market, economic and industry data in this document constitute the Directors' estimates, using underlying data from independent third parties. The Company obtained market data and certain industry forecasts used in this document from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications, including publications and data compiled by the Canadian Council for Public-Private Partnerships, the American Society of Civil Engineers, Infrastructure NSW, the Victoria Department of Treasury and Finance, the European Commission, the UK Department of Energy and Climate Change ("DECC"), the Australian Department of Infrastructure and Regional Development, EirGrid, OECD/IEA, German Trade & Invest ("GTAI"), McKinsey & Company ("McKinsey"), the Frankfurt School-UNEP Collaborating Centre, Bloomberg, the European PPP Expertise Centre ("EPEC"), the US Department of Transport, the Swedish Energy Agency and HM Treasury.

The Company confirms that all such data contained in this document has been accurately reproduced and, so far as the Company is aware and able to ascertain, no facts have been omitted that would render the reproduced information inaccurate or misleading.

Where third-party information has been used in this document, the source of such information has been identified.

8. Service of process and enforcement of civil liabilities

The Company has been incorporated under English law. Service of process upon Directors and officers of the Company who reside outside the United States may be difficult to obtain within the United States. Furthermore, since most directly owned assets of the Company are outside the United States, any judgment obtained in the United States against it may not be collectible within the United States. There is doubt as to the enforceability of certain civil liabilities under US federal securities laws in original actions in English courts, and, subject to certain exceptions and time limitations, English courts will treat a final and conclusive judgment of a US court for a liquidated amount as a debt enforceable by fresh proceedings in the English courts.

9. No incorporation of website information

The contents of the Company's website do not form part of this document.

10. Definitions and glossary

Certain terms used in this document, including all capitalised terms and certain technical and other items, are defined and explained in Part 15 "Definitions and Glossary".

11. Information not contained in this document

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised. Neither the delivery of this document nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as at any time subsequent to the date hereof.

12. Information regarding forward-looking statements

This document includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Directors' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Directors or the Group concerning, among other things, the results of operations, financial condition, liquidity, prospects, growth, strategies, and dividend policy of the Group and the industry in which it operates. In particular, the statements under the headings "Summary", "Risk Factors", "Business Description" and "Operating and Financial Review" regarding the Company's strategy and other future events or prospects are forward-looking statements.

These forward-looking statements and other statements contained in this document regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements. Such forward-looking statements contained in this document speak only as at the date of this document. The Company, the Directors, the Selling Shareholder, the Banks and the Financial Adviser expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the document to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law, the Prospectus Rules, the Listing Rules, or the Disclosure and Transparency Rules of the FCA.

13. Company names and addresses

On 28 January 2015, Henderson Infrastructure Holdco (UK) Limited was re-registered as a public company and changed its name to John Laing Group plc (the "Company"). On the same date, the Company's registered address was changed from 201 Bishopsgate, London EC2M 3AE to 1 Kingsway, London WC2B 6AN.

On 28 January 2015, Henderson Infrastructure Holdco Limited changed its name to John Laing Holdco Limited. On the same date, John Laing Holdco Limited's registered address was changed from 201 Bishopsgate, London EC2M 3AE to 1 Kingsway, London WC2B 6AN.

On 28 January 2015, John Laing plc was re-registered as a private company and changed its name to John Laing Limited.

PART 3
DIRECTORS, SECRETARY, REGISTERED AND HEAD OFFICE AND ADVISERS

Directors

Phil Nolan (Non-Executive Chairman)
Olivier Brousse (Chief Executive Officer)
Patrick O'Donnell Bourke (Group Finance Director)
David Rough (Senior Independent Director)
Jeremy Beeton (Independent Non-Executive Director)
Toby Hiscock (Independent Non-Executive Director)
Anne Wade (Independent Non-Executive Director)
Priscilla Davies (Non-Executive Director)
Guy Pigache (Non-Executive Director)

Company Secretary

Carolyn Cattermole

Registered and head office of the Company

1 Kingsway
London WC2B 6AN
United Kingdom

Joint Global Co-ordinators, Joint Bookrunners and Joint Sponsors

Barclays Bank PLC
5 The North Colonnade
London E14 4BB
United Kingdom

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

Lead Manager

RBC Europe Limited
Riverbank House
2 Swan Lane
London EC4R 3BF
United Kingdom

Financial Adviser to the Company and the Selling Shareholder

Greenhill & Co. International LLP
Lansdowne House
57 Berkeley Square
London W1J 6ER
United Kingdom

English and US legal advisers to the Company and the Selling Shareholder

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London EC4Y 1HS
United Kingdom

English and US legal advisers to the Banks

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ
United Kingdom

Reporting Accountants and Auditors

Deloitte LLP
2 New Street Square
London EC4A 3BZ
United Kingdom

Intermediaries Offer Adviser

Solid Solutions Associates (UK) Limited
5 St. John's Lane
London EC1M 4BH
United Kingdom

Registrar and Receiving Agent

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
United Kingdom

PART 4
EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND OFFER STATISTICS

Expected timetable of principal events

Event	Time and Date[1][2]
Latest date for applications to be received by Intermediaries from retail investors in respect of the Intermediaries Offer(exact time to be determined by each Intermediary)	10 February 2015
Latest time and date for receipt by the Receiving Agent of applications from Intermediaries in respect of the Intermediaries Offer	10:00 am on 11 February 2015
Latest date for receipt of indications of interest in the Institutional Offer	12:00 pm on 11 February 2015
Announcement of the Offer Price and Offer Size, publication of the Pricing Statement and notification of allocations of Shares[3]	7:00 am on 12 February 2015
Commencement of conditional dealings in Shares on the London Stock Exchange	8:00 am on 12 February 2015
Admission and commencement of unconditional dealings in Shares on the London Stock Exchange	8:00 am on 17 February 2015
Crediting of Shares to CREST accounts	17 February 2015
Despatch of definitive share certificates (where applicable)	By 25 February 2015

[1] Times and dates set out in the timetable above and mentioned throughout this document that fall after the date of publication of this document are indicative only and may be subject to change without further notice.

[2] All references to time in this timetable are to UK time.

[3] The Offer Price and Offer Size will be set out in the Pricing Statement. The Pricing Statement will not automatically be sent to persons who receive this document but it will be available free of charge at the Company's registered office at 1 Kingsway, London WC2B 6AN. In addition, the Pricing Statement will (subject to certain restrictions) be published on the Company's website at www.laing.com.

It should be noted that, if Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned.

All times are London times. Each of the times and dates in the above timetable is subject to change without further notice.

Offer statistics

Price Range (per Share)[1]	195 pence to 245 pence
Number of Existing Shares in issue immediately prior to Admission	300,000,000
Maximum number of Shares which may be comprised in the Offer[2][3][6]	220,153,846
Expected maximum number of New Shares in the Offer[2][4]	66,666,667
Expected minimum number of New Shares in the Offer[4][5]	53,061,224
Expected maximum number of Existing Shares which may be comprised in the Offer[3][5][6]	158,897,959
Expected minimum number of Existing Shares which may be comprised in the Offer[2][6][7]	43,410,256
Maximum number of Shares in issue on Admission[2]	366,923,077
Indicative number of Shares in the Offer as a percentage of total number of Shares in existence on Admission[6]	Between 30 per cent. and 60 per cent.
Maximum number of Existing Shares subject to the Over-allotment Option[8]	33,023,077
Estimated net proceeds of the Offer receivable by the Company[9]	£120 million
Estimated gross proceeds of the Offer receivable by the Selling Shareholder at the mid-point of the Price Range and assuming sufficient Existing Shares are sold to achieve a free float of 45 per cent.[10]	£225.7 million
Indicative market capitalisation of the Company at mid-point of the Price Range[11]	£790.5 million

[1] It is currently expected that the Offer Price will be within the Price Range. It is expected that the Pricing Statement containing the Offer Price and the number of Shares which are comprised in the Offer (being the aggregate of the New Share Offer Size and the Existing Share Offer Size) will be published on or about 12 February 2015 and will be available (subject to certain restrictions) on the Company's website at www.laing.com. If the Offer Price is set above the Price Range, then the Company would make an announcement via a Regulatory Information Service and prospective investors would have a statutory right to withdraw their application for Shares pursuant to section 87Q of FSMA.

(2) Assuming that the Offer Price is set at the bottom of the Price Range and that the Company issues sufficient New Shares pursuant to the Offer to raise gross proceeds of £130 million.

(3) Assuming that the Existing Offer Share Size is set at a level so as to achieve a free float of 60 per cent. and assuming no exercise of the Over-allotment Option.

(4) It is currently expected that the New Share Offer Size will be set by the Company within the New Share Offer Size Range. If the New Share Offer Size is set above or below the New Share Offer Size Range, then the Company would make an announcement via a Regulatory Information Service and prospective investors would have a statutory right to withdraw their application for Shares pursuant to section 87Q of FSMA. It is expected that the Pricing Statement containing the Offer Price and the number of New Shares and Existing Shares which are comprised in the Offer will be published on or about 12 February 2015 and will be available (subject to certain restrictions) on the Company's website at www.laing.com.

(5) Assuming that the Offer Price is set at the top of the Price Range and that the Company issues sufficient New Shares pursuant to the Offer to raise gross proceeds of £130 million.

(6) It is currently expected that the Existing Share Offer Size will be set by the Selling Shareholder within the Existing Share Offer Size Range, such that the total number of Shares comprised in the Offer represents between 30 per cent. and 60 per cent. of the total number of Shares in issue immediately following Admission (assuming no exercise of the Over-allotment Option). However, the Company does not know with certainty the exact number of Existing Shares that will be sold by the Selling Shareholder and the number of Shares comprised in the Offer may represent a higher or lower percentage than that indicated (subject to the minimum free float requirements agreed by the Company with the UK Listing Authority). If the Existing Share Offer Size is set above or below the Existing Share Offer Size Range, then the Company would make an announcement via a Regulatory Information Service and prospective investors would have a statutory right to withdraw their application for Shares pursuant to section 87Q of FSMA. It is expected that the Pricing Statement containing the Offer Price and the number of Shares which are comprised in the Offer (being the aggregate of the New Share Offer Size and the Existing Share Offer Size) will be published on or about 12 February 2015 and will be available (subject to certain restrictions) on the Company's website at www.laing.com.

(7) Assuming that the Existing Offer Share Size is set at a level so as to achieve a free float of 30 per cent. and assuming no exercise of the Over-allotment Option.

(8) The maximum number of Existing Shares comprised in the Over-allotment Option is, in aggregate, equal to 15 per cent. of the maximum number of Shares comprised in the Offer.

(9) The net proceeds receivable by the Company are stated after deduction of estimated underwriting commissions and other fees and expenses of the Offer payable by the Company, expected to be approximately £10 million. The Company will not receive any of the net proceeds from the sale of the Existing Shares in the Offer.

(10) Assuming no exercise of the Over-allotment Option. Proceeds are stated without the deduction of underwriting commissions and amounts in respect of stamp duty or SDRT payable by the Selling Shareholder in connection with the Offer.

(11) Assuming the Offer Price is set at the mid-point of the Price Range and that the Company issues sufficient New Shares to raise gross proceeds of £130 million. The market capitalisation of the Company at any given time will depend on the market price of the Shares at that time. There can be no assurance that the market price of a Share will be equal to or exceed the Offer Price.

PART 5
INDUSTRY OVERVIEW

1. Introduction

Infrastructure can be defined as the physical assets and systems that support a country or community. Infrastructure assets typically support services such as transportation, utilities, and communications and also cater to social needs such as housing, health and education.

The development and modernisation of infrastructure usually requires significant initial investment and is essential to national economic growth. However, government procurement has not kept pace with the structural demand for infrastructure and the Directors believe that continued growth in investment will be required.

- The OECD has indicated that total global infrastructure investment should amount to 4.1 per cent. of GDP from 2013 to 2030, while historical levels of investment have been 3.8 per cent. of GDP between 1992 and 2011 (source: McKinsey). This historical underinvestment has added pressure to the demand for infrastructure.
- McKinsey estimates that between 1994 and 2012, approximately US$36 trillion was spent on infrastructure investment globally, but that investment of at least US$57 trillion is required between 2013 and 2030 (equivalent to at least US$3.4 trillion per annum).

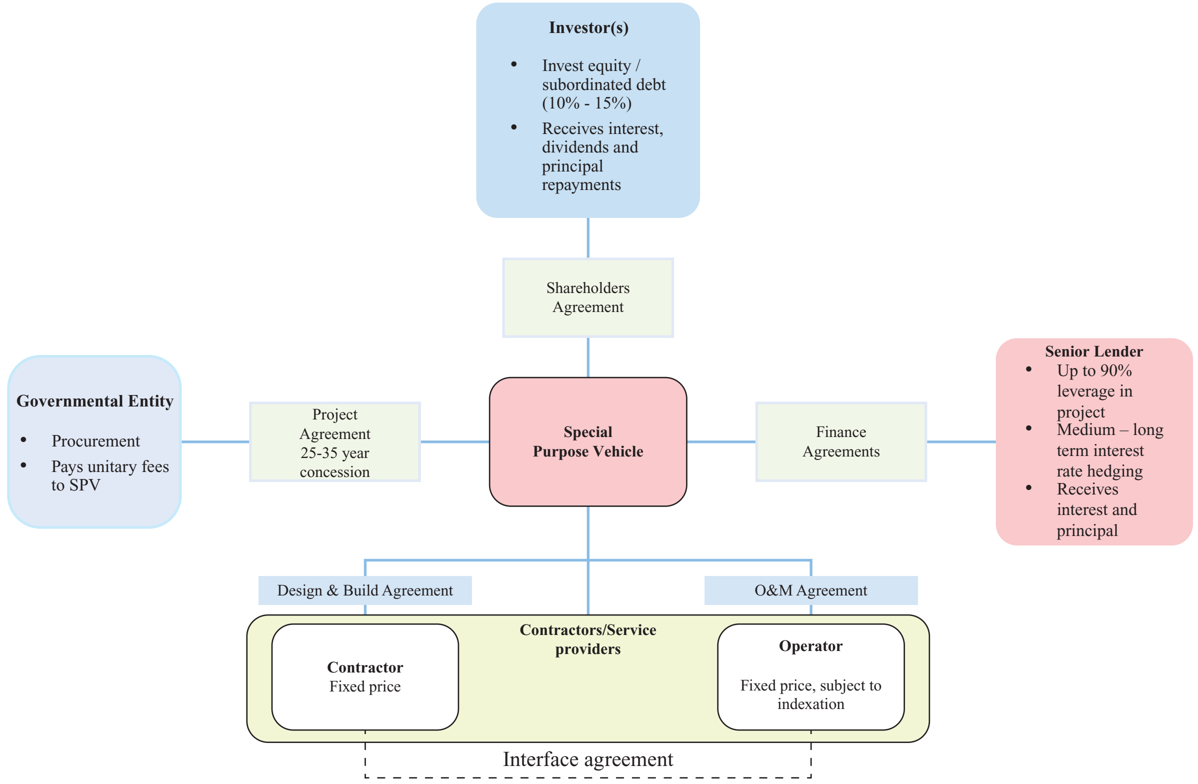
Historically, public sectors (in jurisdictions in which the Group now operates) had often procured and funded infrastructure using public finance, with the risk of asset delivery, cost and operation a risk to the taxpayer. Over time, there has also been a steadily increasing trend for governmental and other public sector authorities ("Governmental Entities") to turn to the private sector to assist in the procurement of infrastructure, to help with financing, and to seek private sector expertise to manage and take long-term delivery risks. Private sector involvement in infrastructure typically comprises: (i) procurement models such as public-private partnership ("PPP") where the core infrastructure asset reverts back to the Governmental Entity at the end of the contract, (ii) models with support mechanisms provided by Governmental Entities, for example, green certificates for renewable energy projects and (iii) other models not pursued by John Laing, for example, investment supported by a formal regulatory framework governing the private sector ownership of essential infrastructure assets, such as airports, utilities and communication networks.

2. PPP

The PPP concept is based on the principle of a partnership between the public and private sectors to deliver infrastructure projects. The concept varies on a global basis, however common features include:

- long-term contracts or agreements between private organisations and Governmental Entities;
- cash flows underpinned by (i) availability-based revenue to the extent that the asset is available for use in accordance with contractually-agreed service levels and performance standards, or (ii) volume-linked revenues with a pre-agreed price per unit;
- a meaningful private funding component;
- provision of infrastructure/services by the private sector to or on behalf of Governmental Entities following the fulfilment of design and construction responsibilities;
- transfer of certain risks to the private sector, such as design, construction and operational risks;
- detailed contractual responsibilities and deliverables that vary over the contract period as the project moves through its life (i.e. from financial close to construction and operation);
- return of the relevant infrastructure to Governmental Entities at the end of the concession period; and
- procurement driven by a long-term "whole life" value-for-money objective.

The figure below shows the main contract parties and contractual structure for a typical PPP project. PPP projects are principally financed on a non-recourse basis through SPVs with funds provided by a mix of equity from investors and up to 90 per cent. of funding coming from external debt providers. Public sector capital contributions may also be provided for certain projections. Equity is typically made up of a relatively nominal or "pin point" pure equity amount with the balance comprising subordinated shareholder debt. John Laing typically holds between 20 per cent. and 100 per cent. of the equity in a project SPV. The project agreement itself is entered into between the SPV, on the one hand, and the Governmental Entity, on the other hand. Construction works are carried out by contractors under fixed-price, date-certain contracts, which typically allow the SPV and equity investors to pass down many material construction risks. Day-to-day operation of the project is typically carried out by a service provider under an operating contract.


Investor(s)
• Invest equity / subordinated debt (10% - 15%)
• Receives interest, dividends and principal repayments
Shareholders Agreement
Governmental Entity
• Procurement
• Pays unitary fees to SPV
Project Agreement 25-35 year concession
Special Purpose Vehicle
Finance Agreements
Senior Lender
• Up to 90% leverage in project
• Medium – long term interest rate hedging
• Receives interest and principal
Design & Build Agreement
O&M Agreement
Contractors/Service providers
Contractor
Fixed price
Operator
Fixed price, subject to indexation
Interface agreement

2.1 United Kingdom

The PPP model in the United Kingdom is well established and is based on a strong market of suppliers and advisers and a robust contractual framework. Contract standardisation has helped improve value for money and PPP has proved to be a successful model for delivery of public capital projects on time and to budget. The PPP model in the United Kingdom began life as the Private Finance Initiative. In 2012, the UK government publicly launched a new model called "PF2" which enables greater investment by the public sector.

In the first half of 2014, the United Kingdom proved to be the most active PPP market in Europe, both in terms of volume and number of projects, and accounted for 37 per cent. of the European market value (source: EPEC).

John Laing has invested in a large number of PPP projects in the United Kingdom, including the two Intercity Express Programme ("IEP") projects. The IEP projects cover the finance, design, manufacture, delivery into daily service and maintenance over a guaranteed minimum usage period of 26 years of a fleet of trains for each of the Great Western Main Line (Phase 1) and the East Coast Main Line (Phase 2).

Despite the historical track record of successful delivery of infrastructure through PPP and the number and size of investment programmes proposed by the UK National Infrastructure Plan (over 150 programmes and projects worth more than £380 billion), John Laing anticipates that opportunities for investing in new UK PPP projects over the medium term are expected to be relatively limited as compared to other markets. In order to address this, the Group has developed its capabilities in non-UK markets as described further in Part 6 "Business Description".

2.2 Continental Europe

In Continental Europe, PPP-type infrastructure frameworks have developed with some variation from country to country, but like the United Kingdom, these markets are subject to overarching EU procurement regulations and directives.

In 2013, 80 PPP transactions (49 excluding the United Kingdom) reached financial close at a total value of €16.3 billion (€10.3 billion excluding the United Kingdom) in the European market. This represents a 27 per cent. increase compared to 2012 (€12.8 billion, or €7.2 billion excluding the United Kingdom). Transport remained the largest sector in value terms and accounted for five out of six of the largest transactions that closed in 2013. With a total value of €9.6 billion, PPP transactions in the transport sector represent more than half the total market value (source: EPEC). Most European countries have implemented PPP regulations, with 35 countries becoming members of the European PPP Expertise Centre ("EPEC"), an initiative involving the European Commission, the European Investment Bank and European Union Member States and candidate countries (source: EPEC).

John Laing has invested in PPP projects in several Continental European countries, including the A1 Gdansk Poland project to extend the A1 road by 150 kilometres, linking the seaports of Gdansk and Gdynia in northern Poland to roads ultimately leading to the Adriatic Sea.

2.3 Canada

Canada's PPP market landscape has evolved considerably and has established Canada as a stable and significant market in both volume and capital size of transactions. PPP Canada manages the C$1.25 billion P3 Canada Fund, the first infrastructure programme in Canada dedicated to supporting infrastructure projects delivered through a PPP approach. In addition, Infrastructure Canada, a department of the Ministry of Infrastructure, Communities and Intergovernmental affairs, manages the C$14 billion New Building Canada Fund, which is part of the C$53 billion New Building Canada Plan. There is also strong institutional support at the provincial level through long-established agencies dedicated to overseeing PPP procurements. As at December 2014, there were 221 PPP projects in Canada at various stages including 127 that were operational, 47 under construction, 43 in procurement and four in pre-procurement (source: Canadian Council for Public-Private Partnerships). In Canada and the United States, PPP is often known as P3.

In Canada, John Laing was an investor in the Abbotsford Regional Hospital and Cancer Centre project, the first PPP infrastructure project for the province of British Columbia's PPP agency.

2.4 United States

The United States represents a large infrastructure market with figures of US$3.6 trillion quoted as the level of investment needed by 2020 to restore the nation's infrastructure, implying a shortfall of US$1.6 trillion (source: American Society of Civil Engineers). As at 20 March 2013, 33 states and one US territory had enacted PPP-enabling legislation in the transportation sector alone (source: US Department of Transportation).

The recent Moving Ahead for Progress in the 21st Century Act ("MAP-21") legislation, signed into law by President Obama in July 2012, provided a boost to the US PPP pipeline. More recently, the federal government has focused on the establishment of new platforms aimed at assisting states to develop P3 projects such as the Build America Transportation Investment Center within the federal Department of Transport. Funding support for PPP schemes is available through the Transportation Infrastructure Finance and Innovation Act ("TIFIA") to finance surface transportation projects of national and regional significance. Allocation of funds through TIFIA in the second quarter of 2012 received a significant increase to US$750 million in 2013 and then to US$1 billion in 2014, up from US$120 million in 2012. Each dollar of federal funds is estimated to provide up to US$10 in TIFIA credit assistance—and leverage US$30 in transportation infrastructure investment. While transportation remains the primary PPP sector, new infrastructure schemes were promoted in 2014, including a number of pilot projects which are reaching more advanced development stages in the water sector.

In the United States, John Laing has recently invested in the I-4 Ultimate highway project, a PPP project with the Florida Department of Transport which includes the planned reconstruction of 15 major interchanges, constructing more than 140 bridges, adding four variably priced toll Express Lanes and rebuilding the general use lanes along part of Interstate 4 in Florida.

2.5 Australia and New Zealand

Australia has a strong track record of PPP transactions and a significant pipeline of potential infrastructure investments.

Over recent years, there has been increased spending on infrastructure projects in Australia at the Commonwealth and state/territory government level, with particularly high levels of investment in the transport sector. The infrastructure outlook is supported by an infrastructure focused Commonwealth government which has committed a record AUD$50 billion to an infrastructure investment programme through to 2019-20. The 2014-15 Commonwealth Budget was titled "Building Australia's Infrastructure", highlighting the Australian government's funding priorities. New South Wales has procured more than AUD$70 billion in infrastructure between 2006 to 2011, compared with AUD$35 billion in the preceding five years (source: Infrastructure NSW). The State of Victoria has also consistently demonstrated commitment to PPP delivery, highlighting its estimate of over AUD$1 billion of savings under the Partnerships Victoria Framework, and has procured 25 projects through Partnerships Victoria worth around AUD$17.7 billion in capital investment (source: Victoria Department of Treasury and Finance).

In the nine months ended 30 September 2014, five Australian PPP projects reached financial close with an estimated total project value of approximately AUD$14 billion (source: the Australian Department of Infrastructure and Regional Development). Prisons, healthcare and transport infrastructure projects are the main focus. As at 30 November 2014, 10 projects, across six states, were in procurement.

John Laing is one of the equity providers in the SA Health Partnership consortium which was awarded the PPP contract for the financing, design, construction and operation of the non-clinical services for the New Royal Adelaide Hospital, a PPP project with the Government of South Australia.

In New Zealand, the scale of infrastructure investment required is driving greater collaboration between public and private sectors. New Zealand is an early stage PPP market with three PPP projects having closed in the last three years. In February 2013, Auckland's Hobsonville Point Primary School opened its doors to students, representing the first operational PPP in New Zealand. The outlook remains positive with a number of PPP projects across different sectors including health, education and transport expected to come to market in the near term.

Following financial close in 2012, construction of the Auckland South Corrections Facility in South Auckland (a project in which John Laing is an investor) is expected to be completed in 2015.

3. Renewable Energy Market

At a global level, the regulation of greenhouse gases is directed by the United Nations Framework Convention on Climate Change and the Kyoto Protocol. The Kyoto Protocol sets binding greenhouse gas emissions targets for 37 industrialised countries, on average a reduction of 5 per cent. relative to 1990 levels in the first commitment period from 2008 to 2012. Under the Renewable Energy Directive, EU Member States are required to achieve national targets for renewable energy that are consistent with reaching the European Commission's overall EU target of generating 20 per cent. of energy consumed from renewable energy sources. They are also required to reduce greenhouse gas emissions by 20 per cent. and reduce consumption of primary energy by 20 per cent. by 2020. As a result of these national targets, the European Environmental Agency forecasts that production from renewable sources of electricity is expected to continue to experience rapid growth (nearly doubling between 2010 and 2020). Bloomberg estimates that renewable energy will make up nearly half of installed generation capacity globally by 2030, with shares of 11 per cent. and 12 per cent., respectively, for wind and solar energy.

In October 2014, EU leaders agreed to a target of at least a 40 per cent. reduction in domestic greenhouse gas by 2030 compared to 1990 levels, as part of the wider 2030 policy framework for climate and energy proposed by the European Commission in January 2014. The 2030 policy framework aims to make the European Union's economy and energy system more competitive, secure and sustainable and also sets a renewable energy target of at least 27 per cent. by 2030 (source: European Commission).

3.1 Renewable energy projects structure

The key parties involved in a renewable energy project are similar to a PPP project (i.e. an SPV is set up with contractors, equity investors and lenders all being key contract counterparties). Some key differences compared with PPP are as follows:

- Generally, revenues earned by the SPV are receivable from a private sector company (where the counterparty under the power purchase agreement is not a Governmental Entity) or from a wholesale market.
- SPV revenue is usually volume-linked and based on a price per unit of power generated. Typically, power is sold through a medium- to long-term power purchase agreement with a supplier and supplemented by a long-term feed-in-tariff and/or other government support mechanisms. In the United Kingdom, such governmental support mechanisms can represent more than 50 per cent. of the total revenue of a project.
- Gearing is lower in renewable energy projects. Typically, a renewable energy project is 55 per cent. to 80 per cent. debt-funded compared with up to 90 per cent. in a PPP project, due to the more variable nature of the SPVs' revenue from renewable energy generation.
- Key contracts for onshore wind farms will often include a turbine supply agreement and a balance of plant contract, whereas for a solar farm project, the key contract is often a single engineering, procurement and construction contract for the supply and installation of solar PV panels. For biomass plants, the key construction contract may comprise an engineering and procurement contract ("EPC"). Medium term operation and maintenance contracts may be entered into by the SPV in respect of wind farms, biomass plants or solar farms.

3.2 United Kingdom

According to the UK Department of Energy and Climate Change ("DECC"), in 2013, the United Kingdom generated 13.9 per cent. of its electricity and 5.2 per cent. of its energy consumption from renewable sources. The national target is for 15 per cent. of gross energy consumption to be produced from renewable sources by 2020. In order to achieve this target, significant new renewable generation capacity will be required. At the end of June 2013, the United Kingdom had 7.0 gigawatts ("GW") of installed onshore wind capacity in operation and 2.4GW of installed solar PV capacity in operation (source: DECC). By 2020, it is estimated by DECC that capacity will grow to 13 GW of onshore wind and 11 to 12GW of solar PV generation. DECC estimates that 22GW of the United Kingdom's current electricity generating capacity will have to be replaced in the next five years.

The United Kingdom has used a range of policy measures to support and encourage the development of renewable generation technologies, the principal measures being the renewables obligation system and feed-in-tariffs. The UK government has also announced a package of measures known as Electricity Market Reform, which it is introducing in 2014 and early 2015, with one aim, amongst others, of making investment in renewable generation more effective and affordable by increasing revenue stability for low carbon generators through a 15-year contract for difference which will fully replace the renewables obligation system by 2017.

John Laing has invested in several renewable energy projects in the United Kingdom, across the solar, wind and biomass sub-sectors. Some of John Laing's recent investments in renewable energy projects in the United Kingdom include the Burton Wold Extension Wind Farm, Victoria Solar Park and Speyside Biomass Combined Heat and Power Plant.

3.3 Sweden

Based on the Renewable Energy Directive and a legally binding self-imposed target, Sweden aimed to increase renewable energy to at least 50 per cent. of gross national consumption by 2020 and achieved this goal in 2013 (eight years ahead of target). This was supported by the large proportion of hydropower and biofuels as sources of generation in the Swedish energy system.

In 2012, Sweden and Norway created a single electricity certificate market with a target to increase renewable energy generation by 26.4 terawatt hours ("TWh") per annum from 2002 to 2020, corresponding to between 5GW and 10 GW of installed capacity depending on the type of technology used. From 2013 to 2016, the Swedish Energy Agency plans to invest SEK 123 million in research into solar cells, thermal solar power and solar fuels with a view to boosting the use of solar energy in the Swedish energy system.

John Laing has invested in renewable energy projects in Sweden, including the Svartvallsberget Wind Farm, John Laing's first investment in the onshore wind sector in Continental Europe.

3.4 Ireland

Ireland's national target is for 16 per cent. of gross energy consumption to be produced from renewable sources by 2020. Over the last decade the deployment of renewable energy in the Irish electricity sector has increased considerably, for example, 222 wind farms across Ireland with a total installed wind energy capacity of approximately 2.9GW. This growth has been facilitated by a policy and financial support framework for renewable energy and capital investment in the necessary grid infrastructure. Wind energy is forecast to reach an installed capacity of 3.8GW by 2020 (source: EirGrid). Ireland uses a 15-year feed-in-tariff system (REFIT) to support onshore wind projects.

3.5 Finland

Finland has an ambitious renewable energy programme, with a view to meeting its binding EU target to increase the share of renewable energy to 38 per cent. of final energy consumption by 2020. Finland is the most forested country in Europe, with approximately 86 per cent. covered by coniferous forest. The Finnish government has clearly indicated that forestry will play a central role in meeting its renewable energy target. Measures implemented to attain the country's renewable energy target include promoting the use of forest wood chips and other wood-based energy, alongside wind power, the use of biofuels in transport and the greater utilisation of heat pumps (source: OECD/IEA). For onshore wind, the Finnish government has put in place a 12-year feed-in-tariff to support up to 2.5GW of onshore wind capacity. As at the end of August 2014, 0.5GW had been installed.

3.6 Germany

Germany aims to increase renewable energy to 35 per cent. of national supply by 2020. As part of its long-term energy strategy, by 2050, Germany is targeting an 80 to 95 per cent. reduction of greenhouse gas emission levels (compared to 1990 levels) and an 80 per cent. renewable energy share of the power mix, of which a large part is expected to be wind generated (including on- and off-shore production). A central piece of Germany's energy legislation is the Renewable Energy Sources Act. This legislation requires grid operators to purchase a certain amount of electricity from renewable energy sources first before they feed in electricity generated from non-renewable sources. Investments in renewable energy projects are protected through a feed-in-tariff (fixed for 20 years) system (source: GTAI).

The latest German renewable energy support mechanism, EEG 2014, came into force in August 2014. This new reform has been developed to stabilise the pace at which new renewable energy generation capacities are being built and to contain the overall costs of government support mechanisms. A revised unindexed feed-in tariff price and mechanism has been introduced for projects completed up to 31 December 2016; however, the feed-in tariff price may be reduced should the annual 2.5 GW onshore wind and solar installation target be exceeded. From 2017, this energy price feed-in tariff scheme will be replaced by a market based auction system.

3.7 France

According to its National Renewable Energy Action Plan, France aims to increase renewable energy to 23 per cent. of national supply by 2020. In 2014, the French government announced longer term legislation to increase the renewable share of the energy mix to 32 per cent. by 2030, while doubling the renewable energy share of the electricity mix to 40 per cent. over the same period. As at 30 June 2014, France had 8.6 GW of onshore wind installations and 5.1 GW of solar PV, which accounted for 3.8 per cent. and 1 per cent. of French energy consumption, respectively. In France, projects are supported through a feed-in-tariff mechanism for 15 years.

PART 6
BUSINESS DESCRIPTION

Investors should read this Part 6 "Business Description" in conjunction with the more detailed information contained in this document including the financial and other information appearing in Part 9 "Operating and Financial Review". Where stated, financial information in this section has been extracted from Part 11 "Combined Historical Financial Information".

1. Introduction

John Laing is an originator, active investor and manager of international infrastructure projects. As at 30 September 2014, the book value of its investment portfolio ("Portfolio Book Value") was £781 million[(1)] (Gross Value: £1.1 billion) and the Group managed £965 million of External AUM.

John Laing's business is focused on major transport, social and environmental infrastructure projects awarded under governmental public-private partnership ("PPP") programmes, and renewable energy projects, across a range of international markets including Asia Pacific, North America, Continental Europe and the United Kingdom. The Group originates and invests in greenfield infrastructure, and then actively manages its investments in projects through their construction phase. Once operational, the Group either continues to hold and actively manage its interests over the lifetime of the projects (usually up to 30 years) or sells its interests in the projects to secondary market investors (in which case, the Group will typically retain an asset management role). As at 30 September 2014, the Group had interests in a large, diversified portfolio comprising 44 infrastructure projects, with a Portfolio Book Value of £715 million (excluding the Group's 39.7 per cent. shareholding in JLEN valued at £66 million), comprising £373 million of investments in projects in the construction phase and £342 million in the operational phase. The Group has committed investments to 109 projects, thereby establishing itself as a leading name in its core international markets and chosen sectors.

John Laing's business, which integrates origination, investment and asset management capabilities, is organised across three key areas of activity:

- Primary investments: John Laing's primary investment activities involve sourcing and originating, bidding for and winning greenfield infrastructure projects, typically as part of a consortium for PPP projects. The Group classifies its interests in PPP and renewable energy projects which have yet to reach "financial close" (when contractual commitment, including financing, is made to a project), or have reached financial close but which are not yet operational, as its "primary investment portfolio".
- Secondary investments: John Laing's secondary investment activities involve ownership of a substantial portfolio of interests in operational PPP and renewable energy projects. The Group classifies its investments in operational projects as its "secondary investment portfolio". Almost all of the Group's secondary investments were previously part of John Laing's primary investment portfolio.
- Asset management: The Group actively manages its own primary and secondary investment portfolios and provides investment advice and asset management services to two listed funds (JLIF and JLEN) through its wholly owned and FCA-regulated subsidiary, JLCM. As at 30 September 2014, JLCM's External AUM were £965 million.

One of the key characteristics of the Group's investments is the relative predictability of their cash flows given the structure of PPP contracts (typically, a Project Company's revenue is from a Governmental Entity based on the availability for use, or level of use, of the project's infrastructure asset) and the revenue regime of renewable energy projects (backed by government support mechanisms).

John Laing aims to deliver predictable returns and consistent growth in the value of its primary and secondary investment portfolios, as well as the assets it manages on behalf of third party investors.

[(1)] The Portfolio Book Value is included within the "investments at fair value through profit or loss" line item in the Group's combined balance sheet (£842.2 million in total as at 30 September 2014, including the value of the Group's holding in JLEN of £66.0 million and cash and other assets of £61.1 million).

2. History

1848	Founded by James Laing
1953	Listed on the London Stock Exchange
1990	First PPP investment
2001	Sale of construction business
2002	Sale of property development and house building activities
2003	Sale of affordable housing division
2007	Taken private by the Henderson Funds
2008	Sale of Chiltern Railways
2010	Launch of John Laing Infrastructure Fund ("JLIF")
2011	Entry into renewable energy project market
2013	Sale of facilities management business
2014	Launch of John Laing Environmental Assets Group ("JLEN")

John Laing was originally established in 1848 as a building company based in Carlisle, in the North West of England. It grew to become a major construction company in the United Kingdom and internationally, working on assets as diverse as the M1 motorway, Sizewell B nuclear power station and Coventry Cathedral. In 1953, John Laing was listed on the London Stock Exchange.

The Group made its first infrastructure investment in 1969 in a toll road in Spain (the 65km Europistas project) and its first PPP investment in 1990 in a cable-stayed river crossing linking England and Wales (the Second Severn River Crossing project).

In 2001, John Laing redefined its strategy to focus solely on infrastructure assets for Governmental Entities with a particular emphasis at that time on the UK Private Finance Initiative. In line with this strategy, the Group sold its construction activities to O'Rourke (now Laing O'Rourke), followed by the sale of its house building activities to George Wimpey plc, and the sale of its property development business to Kier.

In early 2007, John Laing was taken private by the Henderson Funds. Since that time, it has continued to develop its primary infrastructure activities by expanding internationally and into new sectors and has further divested its non-core activities, including Chiltern Railways and, more recently, its facilities management business.

The Group has also created a significant external asset management platform with the launch of two listed secondary infrastructure funds (JLIF in 2010 and JLEN in 2014), to both of which it provides investment management services through JLCM, earning fee income.

3. John Laing's Business Model

John Laing's business model is based on its primary investment origination and asset management capabilities and the current strong demand in secondary markets for operational PPP and renewable energy assets. The Group initially creates value from its primary investment activities by originating new greenfield infrastructure investments which, post-construction, aim to produce long-term (usually up to 30 years) predictable cash flows, either backed by a Governmental Entity or, for renewable energy projects, partly-backed by government support mechanisms. John Laing's asset management activities create additional value through the enhancement of these project cash flows, and the management and reduction of project risks (in particular, construction risk). John Laing's disposal of operational infrastructure assets to secondary market investors provides additional funding for new primary investments based on securing divestment proceeds (usually based on the net present value of then-projected investment cash flows) at a significant capital uplift to original cost.

The Group's primary investment origination activities are focused on securing new infrastructure investments (in the form of equity and subordinated debt) that, at financial close, will meet John Laing's investment targets of a hold-to-maturity internal rate of return ("HTM IRR") of, currently, 12 to 14 per cent. based on the investment's long-term projected cash flows at that time. In addition, new primary infrastructure investments must satisfy John Laing's detailed risk allocation requirements which include that Project Companies subcontract substantially all construction risk to reputable contractors providing appropriate security.

The Group's asset management activities during the construction and operational phases of each project focus on ensuring that subcontractors meet their contractual obligations in particular in terms of the financial consequences of the risks allocated to them. In addition, John Laing aims to create additional value by identifying and implementing enhancement initiatives that can increase future cash flows to investors compared to those forecast at financial close. Opportunities for such value enhancements may arise at any time during a project's life and may vary significantly from investment to investment. They may also arise from near term additional cash flow opportunities or they may be enhancements that are forecast to give rise to additional cash flows over the medium to long term. John Laing includes forecast cash flows from future value enhancements within its portfolio valuations where it considers such enhancements to be achievable based upon its past experience. The value arising from these initiatives can be crystallised either through holding the relevant investment until the enhancement has been implemented and the additional cash flow distributed or by divesting the investment to secondary market purchasers at a price which reflects the value of these future enhancements.

John Laing believes that opportunities will continue to arise for it to secure value enhancements from investments within its current portfolio and from new investments in years to come. John Laing has made 42 new PPP investments since 1 January 2007, of which 19 have been sold. Of those 19 investments sold, comparing the weighted average forecast HTM IRRs at the time they reached financial close with their weighted average forecast HTM IRRs at the time of sale, indicates that identified value enhancements have increased average expected HTM IRRs by approximately two percentage points to 14 to 16 per cent.

Figure 1 is intended to illustrate how the equity value and cash flow distributions from a PPP investment evolve over the life of a project. Figure 2 indicates how the discount rate applied to value these forecast cash flows at financial close will typically be set at a lower rate than the HTM IRR, and can be expected to decline during the construction period as the risk profile of the project reduces until it becomes an operational asset and its valuation discount rate is in line with the HTM IRRs being sought by secondary market investors for operational assets.

Figure 1

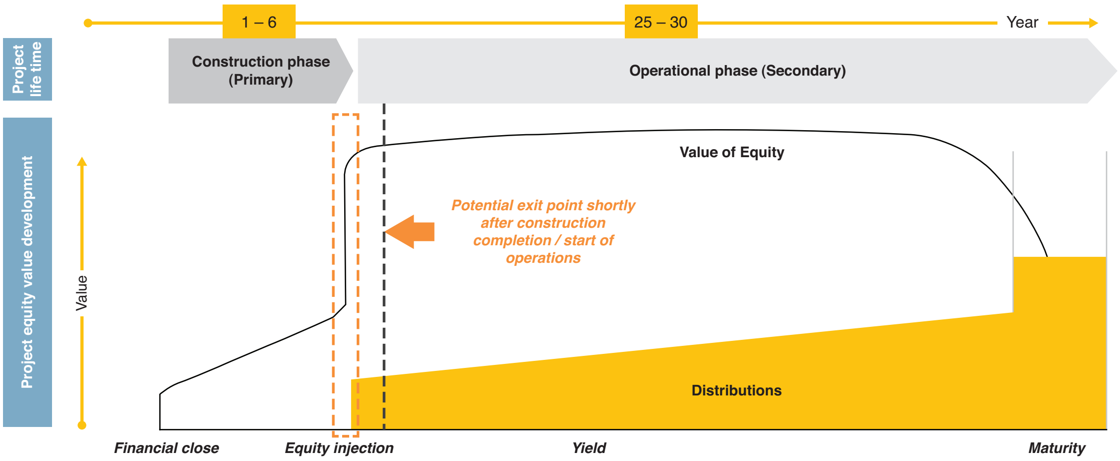
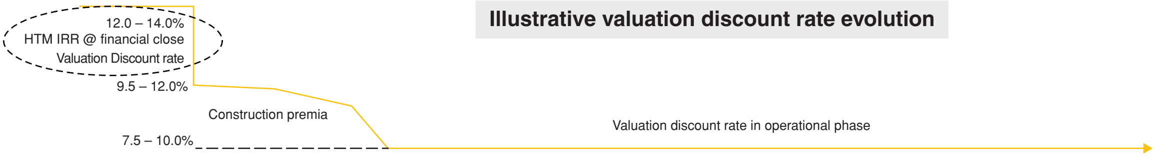

1 – 6
25 – 30
Year
Project life time
Construction phase (Primary)
Operational phase (Secondary)
Project equity value development
Value
Value of Equity
Potential exit point shortly after construction completion / start of operations
Distributions
Financial close
Equity injection
Yield
Maturity

Figure 2


12.0 – 14.0%
HTM IRR @ financial close
Valuation Discount rate
9.5 – 12.0%
Construction premia
7.5 – 10.0%
Illustrative valuation discount rate evolution
Valuation discount rate in operational phase

Source: Company information.

An immediate valuation uplift will typically be recorded at financial close resulting from the application of a valuation discount rate (calculated as the benchmark operational discount rate plus the initial construction premium) that is lower than the HTM IRR of the investment. This valuation uplift and the subsequent increase in the valuation of a PPP project arising from the decline in valuation discount rates as a project progresses through construction and becomes operational, provide the Group with an important opportunity to enhance returns from its infrastructure portfolio. Significant amounts of capital have been deployed in recent years on behalf of listed and unlisted infrastructure investment vehicles in acquiring operational PPP and renewable energy infrastructure assets. There is strong interest in this secondary market in post-construction investments that are generating long-term predictable cash flows and this demand is reflected in much lower HTM IRR requirements (in current market conditions, operational assets can be sold to secondary market investors targeting an HTM IRR of 7.5 to 10 per cent.) than John Laing's HTM IRR target for primary investments (currently 12 to 14 per cent.). The difference between the forecast average primary rates of return on which the Group bases its investment decisions, as increased by any value enhancement strategies, and the secondary rates of return typically sought by investors in operational infrastructure assets (the "yield shift") can be crystallised through a divestment into an uplift in capital value over the original investment cost.

The investment metrics John Laing uses to analyse divestment returns are annualised rate of return ("ARR") and money multiple ("MM") and their calculations are set out in paragraphs 3.2 and 3.3 of Part 2 "Presentation of Financial and Other Information". ARR is used because it takes into account undrawn investment commitments which aids the like-for-like comparisons of returns between investments.

John Laing's experience has been that its historic divestment returns can vary significantly on an investment by investment basis. Accordingly, the Group has calculated an average MM of 2.0x (which, for a 4 to 5 year hold period, equates to an ARR range of 20 to 25 per cent.) that it has achieved from its recent divestment activity covering the 19 PPP investments and an average MM of 1.4x covering the two renewable energy investments that have been made since 2007 and sold during that same period. In addition, in the period since 2007, the Group disposed of certain PPP investments made prior to 2007, in respect of which it achieved a higher weighted average MM and ARR.

John Laing's future divestment returns are subject to a number of factors beyond the Group's control, including the strength of competition in primary markets and the level of demand in secondary markets for the Group's investments. While John Laing targets HTM IRR of between 12 per cent. and 14 per cent. from each new primary investment, its current objective in respect of ARR and MM returns is to achieve, in the medium term, average returns which are comparable with those that have been achieved in the past.

For a table showing the realised investment returns on disposed assets between 1 January 2007 and 30 September 2014, see paragraph 2.5 in Part 9 "Operating and Financial Review".

4. Competitive Strengths

4.1 John Laing has a unique and integrated platform

John Laing has a scalable business platform that is differentiated from its competitors in terms of intellectual capital, integrated business model and independence. The Directors believe these attributes taken together allow the Group to access new investment opportunities and deliver consistently strong investment returns.

- Intellectual capital: The Group's primary investment and asset management teams include employees with sector-specific technical, design, development and operational experience, as well as project finance and commercial skills, all of which apply across geographies. In addition, the Group's executive team has more than 80 years of combined experience across the Group's key market sectors. This intellectual capital, which has in part been built up from its historical construction and operations activities, and the relationships of the executive team, are important for securing access to strong consortia, bidding and mitigating investment risk.
- Integrated business model: The Group's integration of investment origination, structuring, delivery, financing and asset management functions facilitates the value enhancement of in-construction and operational assets, providing enhanced and attractive investment returns. With over 30 years of infrastructure investment experience, including holding certain projects all the way through to their maturity, the Group has the ability to recycle the knowledge it has gained from long-term asset management back into its origination activities.
- Independence: John Laing has experience in partnering with a wide range of co-investors, support service providers, project lenders and design and construction partners, and a majority of the PPP projects the Group invests in are undertaken with one or more co-investors through a Consortium. John Laing's status as an independent investor gives it the ability to assemble and/or join the co-investors, support service providers and contractors best placed to optimise each individual bid. John Laing is independent of supply chain partners which enables it to shift its geographic and sector focus as markets change, close or open. John Laing's independence sets it apart from those competitors who have construction or service businesses at their core, and allows it to work with the

strongest partners on a bid-by-bid basis. The Group's investment function and process are not subject to influence by a tied construction arm unlike some of its competitors, a factor which the Group believes Governmental Entities and project lenders value and which avoids conflicting economic objectives that could prejudice risk adjusted returns on equity.

4.2 John Laing is well-positioned for a growing market opportunity

John Laing has established geographic and sector based teams, comprising a network of five principal overseas offices (Toronto, New York, Amsterdam, Sydney and Melbourne) and its head office in London, with the skills and resources required to support its activities in its chosen markets. The Group has established these offices and teams to address the growing demand for private capital for PPP projects and renewable energy assets and has been at the forefront of investing in early PPP projects in these jurisdictions. This offers the flexibility to allocate the Group's resources as the scope of the market opportunity and its investment pipeline evolve over time.

John Laing invests in an international market that is large and growing. The OECD has indicated that total global infrastructure investment should amount to approximately 4.1 per cent. of GDP from 2013 to 2030, while historical levels of investment have been 3.8 per cent. of GDP between 1992 and 2011 (source: McKinsey). This historical underinvestment has added further pressure to demand for infrastructure. Consistent with this, McKinsey estimates that between 1994 and 2012 approximately US$36 trillion was spent on infrastructure investment globally, but that investment of at least US$57 trillion is required between 2013 and 2030 (equivalent to US$3.4 trillion per annum). The adoption and use of PPP structures within developed nations is growing internationally. Early adopters such as the United Kingdom and Canada have been joined by numerous countries in Continental Europe, Australia, New Zealand and, more recently, many individual states within the United States.

Similarly, investment in renewable energy projects has grown significantly over the past 10 to 15 years, driven principally by decarbonisation policies, concerns around energy security and economic factors. Total new investment is estimated to have been in excess of $214 billion per annum in recent years on a global basis, providing significant potential for John Laing to increase the Group's investment in its chosen markets (source: Frankfurt School-UNEP Collaborating Centre).

4.3 John Laing has a strong track record of value creation and investment

John Laing is already delivering strong growth:

- the Group's Portfolio Book Value has increased from £541 million as at 31 December 2011 to £781 million as at 30 September 2014;
- the Gross Value of the Group's investment portfolio has increased from £730 million as at 31 December 2011 to £1.07 billion as at 30 September 2014;
- Adjusted NAV[2] has increased from £391 million as at 31 December 2011 to £630 million as at 30 September 2014; and
- External AUM have risen from £265 million as at 31 December 2010 to £965 million as at 30 September 2014.

Between 1 January 2007 and 30 September 2014, the Group committed over £800 million of investment (across both PPP and renewable energy projects) into 48 projects with an average forecast HTM IRR of 14 per cent. and an average project life of approximately 30 years. Of those 48 projects, 21 have been divested and the Company has achieved an actual weighted average ARR of 23 per cent. on its 19 PPP divestments and 25 per cent. on its two renewable energy divestments. In the case of the 19 PPP investments, the Group has realised on average a 2.0x MM on its capital committed over an average investment period of four years. In the case of the two renewable energy investments, the Group has realised on average a 1.4x MM on its capital committed over an average period of 1.7 years. In addition, in the period since 2007, the Group disposed of certain PPP investments made prior to 2007, in respect of which it achieved a higher weighted average MM and ARR.

[2] "Adjusted NAV" comprises net assets or net liabilities excluding shareholder loans which were part waived and part capitalised on 27 January 2015 as part of the Reorganization described in paragraph 1.11 of Part 14 "Additional Information".

4.4 John Laing's business model is hard to replicate

John Laing integrates the specialist expertise required to originate, structure and manage greenfield PPP investments which would be challenging for competitors to replicate. Its experience in managing the supply chain, long term relationships with Governmental Entities, contractors, project lenders and advisers, together with its credibility as an investor of its own capital and its track record in delivering on previous investments, are attributes that few other market participants are able to demonstrate and would take new entrants significant time and cost to build up.

John Laing's business model is differentiated from those of investors with construction businesses who frequently use equity investment into a project to help secure their position as the main construction contractor for the project. As such, they are competitors for the equity required. Similarly, support services companies may also provide equity to a project to secure long-term operating contracts and thus compete with the Group for the provision of equity. However, these competitors typically have less flexibility to invest in certain sectors or geographies and may seek to limit the size of their investment to avoid consolidation of project companies for accounting purposes. In addition, they may face pressures to subsidise their construction or support services activities, as applicable, at the expense of their equity participation.

John Laing's business model has enabled the Group to readily apply its skills and knowledge to access new countries and sectors, such as renewable energy.

4.5 John Laing applies risk investment criteria rigorously

The project structures through which John Laing invests are designed to ensure effective allocation of risk and reward between Governmental Entities, equity investors, lenders, contractors, service providers and other counterparties. These structures are applied rigorously by the Group prior to entering into any new investment commitment. Each project is structured as a non-recourse SPV, with contractual terms such that the Group's equity returns are effectively protected from a wide range of risks, including ensuring that third-party project lenders do not have contractual recourse to equity investors beyond their committed equity (including in respect of majority-owned Project Companies), and to ensure that substantially all cost overruns are passed through to subcontractors.

In particular, the structures mitigate construction risks, such as risks associated with design, workmanship, cost overruns and delays, through effective transmission of the financial consequences of such risks to construction partners. These structures also mitigate operational risks by passing key risks to service providers through pass-through contracts. Other measures for protecting the value of the Group's investments include the use of interest rate swaps on third-party project finance debt to mitigate the risk of increased interest costs over the life of an infrastructure project, structuring projects such that there is a positive correlation between investment returns and inflation rates, targeting PPP projects which have government-backed revenue streams based mainly on availability of the underlying asset rather than revenues based on patronage or volume and entering into short/medium term power purchase agreements with electricity suppliers to reduce the impact of short-term volatility on revenues from renewable energy projects.

The Group's investments are diversified across a range of sectors and geographies. Within PPP, the Group originates, invests in and manages social, transport and environmental infrastructure across Asia Pacific, North America, Continental Europe and the United Kingdom. In the renewable energy sector, the Group invests in and manages solar PV parks, onshore wind farm projects and biomass plants with an established presence in the UK and Swedish markets.

The Group has benefitted from its disciplined approach to risk management with an exceptional track record in terms of performance. Over 70 investments have been made since the Group sold its construction business in 2001 and became focused on its infrastructure origination, investment and asset management activities. Only one of these investments is considered likely to suffer a significant loss of original invested capital. For more information, see paragraph 3.1 "Fair value movements in the Group's investment portfolio" in Part 9 "Operating and Financial Review".

4.6 John Laing has access to a strong pipeline of projects

John Laing's business model requires a steady supply of new investment opportunities. The Group's current investment pipeline comprises the Group's potential investment commitment in identified PPP and renewable energy project opportunities that are expected to be procured or be available in the near term, and includes, *inter alia*, projects where John Laing or a Consortium is either shortlisted or has already been appointed preferred bidder (in the case of PPP projects), or has secured exclusive positions (in the case of renewable energy projects).

John Laing's PPP pipeline has grown strongly, increasing from approximately £600 million as at 31 December 2010 to approximately £1.1 billion as at 30 September 2014, the majority of which represents opportunities outside the United Kingdom. This growth is attributable to, *inter alia*, the Group targeting higher volumes of investments and larger projects as well as the number of PPP tenders announced by Governmental Entities, the Group's own strategic decision to bid for certain contracts, the Group's or a Consortium's win (or loss) or withdrawal from bidding of contracts, an expansion in the geographies or markets in which the Group considers investing, availability of renewable energy projects and improvements in the visibility of potential bids. As at 30 September 2014, it included almost £200 million of potential PPP investment commitments where preferred bidder (approximately £63 million) or shortlisted positions (approximately £128 million) had been secured. John Laing also had a strong renewable energy pipeline of approximately £275 million as at 30 September 2014, including exclusive positions representing potential renewable energy investment commitments of approximately £94 million as at 30 September 2014.

Over the longer term, John Laing's investment pipeline, and its ability to convert this into investment commitments, is expected to be supported by several other factors:

- Market demand: the on-going need for infrastructure investment and for such investment to be wholly or partly funded by private capital support has increased activity in key markets (for example, Australia and the United States) as well as the growing use of the PPP model internationally.
- Flexibility: John Laing has established geographic and sector based teams with the skills and resources required to support its primary investment activities in its chosen markets and has the flexibility to allocate its resources as the scope of the market opportunity and its pipeline evolve over time.
- Access to long term non-resource debt finance at the project level: debt markets have improved significantly since the global financial crisis.

5. Strategy

John Laing's strategy is to create value for shareholders through originating, investing in and managing infrastructure assets internationally and is focused on the following core strategic objectives:

- growth in the volume of new capital committed to greenfield PPP and renewable energy infrastructure over the medium term;
- growth in the value of the Group's investment portfolio and optimisation of the cash yield from operational projects; and
- growth in the value of External AUM and related fee income.

5.1 Strategy for growing primary investment volumes over the medium term

John Laing's strategy for growing the volume of capital committed to PPP infrastructure projects is based on the concentration of its resources on countries or geographic regions that meet four key criteria:

- a political commitment to the development of infrastructure through the PPP model;
- a stable political and legal framework;
- the ability to form relationships with strong supply chain partners; and
- the likelihood of target financial returns, on a risk-adjusted basis, being realised.

This core strategy is linked to identifying markets with growing demand, finding partners that John Laing can work with who have strong prospects of winning as well as a need for John Laing's capital and expertise. John Laing targets the following markets that currently meet these criteria: Asia Pacific, North America, Continental Europe and the United Kingdom. In addition, the Group aims to ensure that the right skills and internal resources are put in place to match the sectors which are active in those relevant jurisdictions.

Within the PPP sector, John Laing aims to maximise the opportunities within its existing markets as well as explore new markets and opportunities in sectors falling outside its traditional transport, social infrastructure and environmental sectors.

In the renewable energy sector, the Group focuses on entering new markets which support its objective of establishing a balanced portfolio of assets with exposure to different power markets, geographic locations (with respect to wind and solar resource levels) and government support mechanisms.

5.2 Strategies for growing portfolio valuation and optimising cash yield from investments

John Laing's business model aims to secure new investments at attractive risk-adjusted base case HTM IRRs and to enhance these returns through active asset management.

John Laing employs sophisticated financial analysis and investment appraisal techniques in assessing each new investment opportunity. The Group considers the specific risk profiles for each prospective investment with the aim of optimising risk adjusted returns and securing new investments that are likely to best meet the investment appetites of secondary market investors.

Based upon its investment track record, John Laing has established a range of value enhancement strategies that it considers in relation to each investment, both pre-financial close and at any time thereafter. Such strategies continue to evolve and include: optimising lifecycle management and asset renewal costs over the life of an infrastructure project (either to reduce forecast costs or to defer expenditure); reducing Project Company management costs and project insurance premiums through bulk purchasing or efficiency gains; and earning additional revenues (either during the operational phase or at the end of the project) for the Project Company over and above those forecast at financial close.

The Group actively manages assets throughout construction and operation to deal with issues that arise as soon as practically possible. John Laing's active approach recognises that an investment's fair value may be protected through the quick resolution of ongoing disputes.

5.3 Strategies for growth in External AUM and related fee income

John Laing's strategy to grow the value of its External AUM is linked to its asset management activities as an investment adviser to JLIF and JLEN. The Group not only advises the portfolios of JLIF and JLEN, earning fee income based on the funds' portfolio value, but also sources new investments for both funds. Both JLIF and JLEN have a right of first offer over certain portfolio investments when they are offered for sale by the Group. The investment strategies of these two listed funds are differentiated (from each other and from the Group) and cover investments in predominantly operational PPP and environmental infrastructure assets (respectively) and the long-term holding of such investments, with the aim of producing dividends that increase progressively with inflation. While the Group has no obligation to sell assets to either listed fund, 89.3 per cent. of the assets sold (by sale proceeds) by the Group between 1 January 2010 and 30 September 2014 have been acquired by the funds. As at 30 September 2014, JLIF had acquired 38 investments from John Laing since launch, while JLEN acquired 6 investments from John Laing at launch. When investments are sold to JLIF or JLEN, the value of such investments contributes to growth in the value of the respective fund's portfolio; if the trend were to continue, then future asset disposals by the Group would lead to an increase in External AUM and accordingly, the Group's fee income. In addition to making acquisitions from the Group, JLIF, advised by JLCM, has also been successful in acquiring assets from other parties, thereby generating asset origination fees for the Group. Both JLIF and JLEN have independent boards who ultimately make the decision as to acquisitions by the funds, whether from John Laing or from other parties.

6. Primary and Secondary Investments

6.1 Primary investment

As at 30 September 2014, John Laing's primary investment portfolio comprised the Group's interests in 17 PPP projects, as well as in four renewable energy projects, which have recently reached financial close and/or are in the construction phase or, in the case of renewable energy, where rights to the underlying project have been acquired. The Directors' assessment of the Portfolio Book Value of the Group's primary investment portfolio was £373 million as at 30 September 2014 (Gross Value: £663 million).

The Group sources and bids for traditional PPP projects typically through a Consortium, and typically on its own behalf for renewable energy projects. The Group undertakes market research, project selection, negotiations with consortium partners, bid coordination and finalisation of negotiations with Governmental Entities, vendors, suppliers, project lenders and other project counterparties through to financial close. Activities are focused in Asia Pacific, North America, Continental Europe and the United Kingdom. John Laing aims to work with strong delivery partners in each market.

Activities cover a wide variety of sectors, including all the main social infrastructure areas such as healthcare, education, police and criminal justice, government and local authority accommodation, social housing and defence, as well as transport (roads, street lighting, highways maintenance and rail, including rolling stock) and environmental projects (waste management and renewable energy, including biomass).

6.1.1 Primary investment process

Prior to financial close, the primary investment origination process involves two main forms of activity: (i) identification of attractive opportunities and assembly of consortium partners to bid for such opportunities and (ii) bidding and investing. These two activities are mutually reinforcing, with the bidding process building contacts and experience that further strengthen John Laing's access to future investment opportunities, thereby creating an on-going pipeline of potential investments. New investment and bidding activity are managed and controlled by the sector or regional director concerned, in conjunction with the managing director of the Group's Primary Investment division.

The Group's long history of project delivery and investment has allowed it to build up an extensive international network of established relationships and strategic partners comprising Governmental Entities, legal, financial and technical advisers, construction and service delivery partners and project lenders. This network acts as an important source of market intelligence and provides an effective means to identify opportunities at the earliest possible stage.

Once the Group has decided to pursue a project, progress is monitored to ensure that it continues to meet John Laing's current investment criteria and that the Group's assessment of its competitive position and the potential probability of success remain acceptable. During the construction period, John Laing provides investment management services, including monitoring construction and asset mobilisation, as well as managing defects that may become evident or disputes that may arise during this period. The Group's PPP and renewable energy investment criteria are reviewed annually by the Board, which also establishes the delegated approval authorities of the Group's investment committee.

The ability to assemble and participate in high quality bidding consortia to secure a PPP concession is central to the Group's ability to complete a primary investment that meets its investment criteria once an opportunity has been identified. In each case, John Laing undertakes a review of potential partners' capabilities to assess strengths and weaknesses following which it seeks to secure participation in the strongest consortium. The Group has strong working relationships with many leading industry participants across various sectors. When John Laing is required to lead on specific areas of a bid within a particular Consortium, it supplements its in-house team by engaging specialist external advisers for legal, financial or technical advice.

During the bidding process, John Laing also draws on the expertise of its dedicated project finance specialists who are tasked with securing debt funding for projects on the most competitive terms and have deep experience in the negotiation of specialist financial structures. The Group's ability to raise debt for projects in which it invests, contributes to its success in securing investment commitments and its team has worked on projects raising approximately £9 billion in project finance debt over the last five years across Asia Pacific, North America, Continental Europe and the United Kingdom combined. This debt has been raised from a diverse range of sources, including banks, bonds, institutional investors and Governmental Entities. Projects in which John Laing has invested have raised project finance over the economic cycle since 2007.

Both the bid process and the construction phase for PPP investments are typically longer than for renewable energy investments:

- PPP—The PPP bidding process follows a structured process and usually takes up to 18 to 24 months from the point at which John Laing first assembles or joins a Consortium to bid for that project, up until the point at which the project reaches "financial close", although this period can be substantially shorter where the Group joins a Consortium at a later stage. Financial close of a PPP project is a key milestone at which full contractual commitment (including John Laing's commitment to invest and lenders' commitments to provide debt finance) is made to a project so that project implementation (i.e. construction and operation) can start. As the bid process proceeds, the bidding consortia compete and are narrowed down until a single preferred bidder is selected. Once this has happened, it is almost certain the project will then proceed to financial close and the investment committed.

- Renewable energy—The timescale between when an investment opportunity is identified and financial close is typically six to 12 months for a renewable energy project, which makes it significantly shorter than for PPP investments. In addition, renewable energy projects generally have shorter construction timetables. John Laing targets renewable energy projects at the pre-construction stage, when they have planning consent and a grid connection offer. Projects are therefore typically acquired by John Laing from existing developers (that have taken the project through the initial planning stages), rather than "won" through a formalised procurement process as with PPP. The Group acts as the interface between lenders, contractors and offtakers, assuming responsibility for managing the overall relationship and delivering a consortium and structured investment.

6.1.2 Bidding "Win Rate"

Given the nature of the PPP procurement process to secure investment commitments, the "Win Rate" (a measure of the efficiency with which the Group converts bids to committed investments) is an important metric. In particular, by monitoring medium-term Win Rate (on an overall, geographic-specific and sector-specific basis) the Group may be able to establish adverse or beneficial trends that it can apply to its origination approach and also to its origination costs including the level of success fees sought on winning bids to compensate for the losses incurred on failed bids.

The Group's bidding Win Rate for a particular period is calculated by reference to the value of John Laing's potential PPP investment commitments in respect of which John Laing or a Consortium is successfully appointed as preferred bidder in that period (i.e. a win), as a percentage of the total value of John Laing's potential PPP investment commitments in the same period in respect of which the Group or a Consortium has been shortlisted for projects and preferred bidder status has been subsequently reached for such shortlisted projects, either by the Group or a Consortium or a third party (i.e. all won or lost bids, rather than the investment pipeline as a whole). In view of the multi-year length of PPP procurements and the variation in the size of the value of PPP projects, short-term trends and short-term Win Rate can vary significantly from period to period, and hence the Group considers its medium-term Win Rate when preparing its budget and business plan. The Group currently assumes an average Win Rate of 30 per cent. in its budgeting having achieved a weighted average Win Rate of 39 per cent. across all the PPP projects for which John Laing or a Consortium has bid from 1 January 2009 to 30 April 2014.

The Win Rate concept is not directly applicable to investments in renewable energy projects as these projects are not subject to a formal procurement process, with John Laing typically negotiating and investing in renewable energy projects as opportunities arise.

See also paragraph 1.4 "The Group's historical bidding Win Rate may decline and is an uncertain indicator of new investments that the Group may make in the future" in Part 1 "Risk Factors".

6.1.3 Primary investment costs

The direct costs associated with the sourcing, bidding and capital commitment process can be broadly divided into two categories:

- *Staff costs*—Staff costs comprise costs of John Laing staff supporting bids across all sectors and geographies.
- *Third party bid costs*—The extent to which third party advisers and consultants are appointed, and associated bid costs incurred, depends on how far John Laing progresses through the bidding process. In general, the majority of third party costs are incurred from a relatively advanced stage in the process, in particular, following shortlisting or appointment as preferred bidder. Third party costs on PPP bids are generally incurred over a period of time, potentially several years in the case of the largest projects, and can be incurred directly or as the Group's share within a Consortium.

The Group aims to charge sufficient fees, including success fees, in relation to projects bid where it or a Consortium is appointed preferred bidder, to recover total bidding costs, including the costs of unsuccessful bids. In certain jurisdictions, such as the United States and the Netherlands, the Group may be entitled to a stipend to defray its costs where its bid is unsuccessful.

6.1.4 Primary investment value protection and enhancement

From when a project reaches financial close, the Group, through its Asset Management division, systematically looks to identify opportunities for resolving and mitigating project risks and delivering equity returns and valuations in excess of those assumed at the bidding stage. Examples of opportunities that arise during the construction period include:

- contract variations, where a Governmental Entity requests detailed changes to the scope of existing construction which can give rise to additional SPV fee income for project management; and
- in the context of renewable energy investments, the release of cost or time contingencies, as actual costs are incurred.

In addition, Governmental Entities may decide to exercise pre-agreed options to expand the construction scope of a project that may require additional private sector capital, resulting in additional investment opportunity for John Laing.

6.2 Secondary investment

As at 30 September 2014, John Laing's secondary investment portfolio comprised the Group's interests in 19 PPP projects, as well as in four renewable energy projects, which are in the operational stage. These projects had a Book Value of £342 million as at 30 September 2014. The Group's secondary investment portfolio also includes the Group's 39.7 per cent. shareholding in JLEN, valued at £66 million as at the same date, bringing the total Book Value of the Group's secondary investment portfolio to £408 million.

Between 1 January 2007 and 30 September 2014, the Group made 59 divestments from its investment portfolio, predominantly of investments from within its secondary investment portfolio. Of these 59 divestments, 21 were of investments made during the same period (the balance being investments made prior to 2007) and 44 were divested to JLIF and JLEN.

- For the nine months ended 30 September 2014, total PPP disposals by John Laing amounted to £47 million, of which a disposal amounting to £3.7 million, or 7.9 per cent., was acquired by JLIF and disposals amounting to £43 million, or 92.1 per cent., were acquired by JLEN.
- For the year ended 31 December 2013, total PPP disposals by John Laing amounted to £111 million, of which disposals amounting to £89 million, or 80 per cent., were acquired by JLIF.
- For the year ended 31 December 2012, total PPP disposals by John Laing amounted to £137 million, of which disposals amounting to £92 million, or 67 per cent., were acquired by JLIF.
- For the year ended 31 December 2011, total PPP disposals by John Laing amounted to £132 million, of which disposals amounting to £100 million, or 76 per cent., were acquired by JLIF.

Cash yield from secondary investments was £8.9 million for the nine months ended 30 September 2014, and £29.3 million, £26.7 million and £25.2 million for the years ended 31 December 2013, 2012 and 2011, respectively. "Cash yield from investments" comprises payments from a Project Company, either in the form of dividends (on capital provided in the form of equity) or debt interest and repayments (in respect of capital provided in the form of a subordinated shareholder loan), and dividends from John Laing's shareholding in JLIF (held between November 2010 and March 2014). See paragraph 2.8 of Part 9 "Operating and Financial Review" for further details.

Cash flows to equity from projects from the Group's secondary investment portfolio are constantly reviewed for value enhancement opportunities. Examples of such opportunities include:

- optimisation of facilities management and utility costs, such as promoting energy efficiency across the portfolio;
- lifecycle management, for example, the extension of the useful life of assets to reduce capital replacement costs;
- contract amendments and variations, including negotiation of lease extensions and new planning permissions to accommodate new equipment; and
- third party agreements, for example, seeking opportunities to generate additional cash flow streams from third parties for the use of all or part of their project facilities.

7. External Asset Management

The Group's external asset management activities comprise investment management services and project management services. The principal profit driver for these activities is third party fee income from investment management services which is earned from JLIF and JLEN.

The table below sets out the Group's External AUM and External AUM fees related to JLIF and JLEN for the nine months ended 30 September 2014 and the years ended 31 December 2013, 2012 and 2011.

	Nine months ended 30 September 2014	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
		(£ millions) (unaudited)		
External AUM	965	796	537	380
External AUM fees	7.5	8.2	5.7	3.8

JLIF is a Guernsey-incorporated investment company which was launched on 29 November 2010 and listed on the Main Market of the London Stock Exchange. JLIF's investment policy is to invest predominantly in equity and/or subordinated debt issued in respect of infrastructure projects that are predominantly PPP projects. It predominantly invests in projects that have completed construction and are in their operational phase and whose revenue streams are public sector or government-based, and are predominantly availability-based. As at 30 September 2014, JLIF had acquired 38 investments from John Laing since launch.

For the year ended 31 December 2013, 33 per cent. of total acquisitions (by Portfolio Book Value) by JLIF were disposals by John Laing (2012: 65 per cent.; 2011: 91 per cent.).

JLEN is a Guernsey-incorporated investment company which was launched on 31 March 2014 and listed on the Main Market of the London Stock Exchange. JLEN's investment policy is to invest in environmental infrastructure projects that have the benefit of long-term, predictable cash flows supported by long-term contracts or stable regulatory frameworks. JLEN acquired six investments from John Laing at launch and one investment from a fund managed by the Henderson Manager.

The investment strategies of these two listed funds are differentiated (from each other and the Group) and cover investments in predominantly operational PPP and environmental infrastructure assets (respectively) and the long-term holding of such investments. JLIF's dividend has grown steadily since the fund launched, and JLIF aims to continue such growth over time.

7.1 Investment management services

Investment management services are provided by JLCM to JLIF and JLEN. As at 30 September 2014, JLIF had a portfolio value of £810 million and JLEN had a portfolio value of £155 million. JLCM has two separate dedicated fund management teams whose senior staff are authorised and regulated by the FCA. The fund management teams focus primarily on sourcing new investments and capital raisings on behalf of JLIF and JLEN, respectively. The two teams operate behind information barriers in view of the market sensitive nature of their activities and to ensure the separation of "buyside" and "sellside" teams where John Laing is selling investments to either fund.

At 30 September 2014, the Group also managed three PPP investments valued at £18.8 million held by JLPF. Following the arrangement with the JLPF Trustee (as described in paragraph 10.3 of Part 14 "Additional Information"), the Group will manage an additional PPP investment in the City Greenwich Lewisham (DLR) project held by JLPF.

The services provided by JLCM to JLIF pursuant to an investment adviser agreement (the "JLIF Investment Adviser Agreement") include making recommendations to the board of JLIF on the terms of the investment policy; advising JLIF in respect of its investment portfolio; locating, evaluating and negotiating investment opportunities for JLIF in accordance with instructions on implementation of the investment policy from the board; and reviewing and monitoring the investment portfolio. Additionally, JLCM provides valuation, accounting and reporting services to JLIF.

Pursuant to the investment adviser agreement between JLCM and JLEN (the "JLEN Investment Adviser Agreement", together with the JLIF Investment Adviser Agreement, the "Investment Adviser Agreements"), JLCM provides services to JLEN which are similar to those described above.

The fee income earned by JLCM pursuant to the Investment Adviser Agreements is a percentage of the respective fund's "adjusted portfolio value", which approximates to the value of such investment portfolio, at a particular point in time. The base fee from each fund accrues quarterly in arrears as at a valuation day, and is calculated by reference to the adjusted portfolio values as at such valuation day. Under the JLIF Investment Adviser Agreement, JLCM is entitled to a base fee at an annual rate of 1.1 per cent. of the JLIF adjusted portfolio value up to and including £500 million, plus 1.0 per cent. of the JLIF adjusted portfolio value over £500 million and up to £1 billion, plus 0.9 per cent. of the JLIF adjusted portfolio value over £1 billion, together with any applicable VAT. Under the JLEN Investment Adviser Agreement, JLCM is entitled to a base fee at an annual rate of 1.0 per cent. of the JLEN adjusted portfolio value up to and including £500 million, plus 0.8 per cent. of the JLEN adjusted portfolio value over £500 million, together with any applicable VAT.

With respect to JLIF, JLCM is also entitled to an asset origination fee of 0.75 per cent. of the purchase price of new investment capital acquired by JLIF that is not sourced from the Group or funds or holdings managed by the Group.

To the extent that the Group may decide to dispose of investments in PPP and renewable energy projects, JLIF and JLEN have rights of first offer in respect of certain investments which are set out in their respective first offer agreements with John Laing (the "First Offer Agreements"); however, both funds are wholly separate entities from the Group, each maintaining fully independent board of directors.

For more information on the Group's Investment Adviser Agreements and First Offer Agreements with JLIF and JLEN, see paragraphs 10.5 and 10.6 in Part 14 "Additional Information".

7.2 Project management services

As part of its asset management activities, the Group also provides project management services, or services of an administrative nature, directly to project companies in which John Laing, JLIF and JLEN are shareholders. These services are provided under Management Services Agreements ("MSAs"). As at 30 September 2014, there were a total of 71 MSAs, comprising 33 MSAs with projects in which John Laing invests, 31 MSAs with projects in which JLIF invests, 6 MSAs with projects in which JLEN invests and one MSA with a project invested in by another party. Each MSA typically covers: project management activities, such as undertaking regular monitoring and reporting of construction and services activities; management of subcontractors/service providers, including the preparation and distribution of a schedule of project deliverables; provision of commercial support to Project Companies; provision of company secretarial and financial administrative services to Project Companies; and oversight and management of all financial operations of Project Companies, including payments and preparation of management and statutory accounts. Staff who deliver these services are located at the projects themselves and at John Laing's network of offices, in both cases supported by central staff in London. John Laing aims to continue to provide services under MSAs to projects after the divestment of the Group's interest in such projects to JLIF or JLEN. Project management services revenue also includes non-contractual income earned from Project Companies and occasional development management fees from property-related projects.

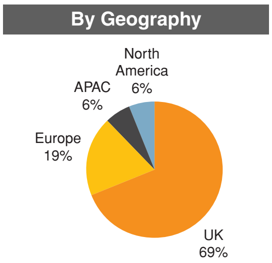
For the nine months ended 30 September 2014, the Group received £10.4 million in income related to project management services. For the year ended 31 December 2013, the Group received £15.5 million in such income, compared to £18.2 million and £16.6 million for the years ended 31 December 2012 and 2011.

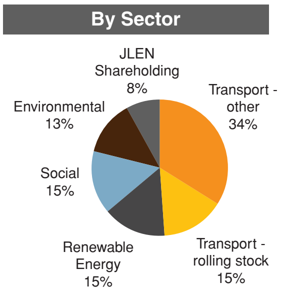
8.1 Portfolio overview

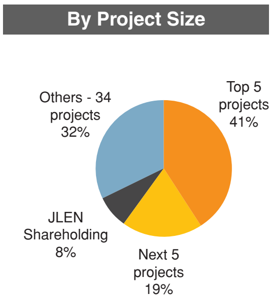
The Group's investment activity is spread across a broad range of sectors, comprising the social infrastructure, transport, environmental and renewable energy sectors:

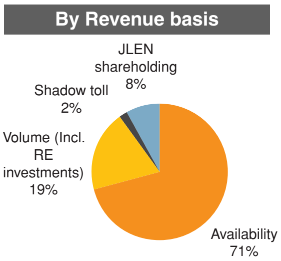
- social infrastructure comprises healthcare, education, police and criminal justice, government and local authority accommodation and social housing.
- transport comprises rail (including rolling stock), roads, bridges, street lighting and highways maintenance.
- environmental comprises waste management and waste water treatment, and renewable energy comprises biomass, onshore wind and solar PV.

The figures below show the profile of the Group's investment portfolio by geography, sector, project size and revenue basis, each on a Portfolio Book Value basis and as at 30 September 2014.


By Geography


By Sector


By Project Size


By Revenue basis

The projects comprising the Group's investment portfolio as at 30 September 2014 are set out in the table below broadly in descending order of Book Value (with associated projects listed together). For changes to the Group's investment portfolio since 30 September 2014, see paragraph 9 "Recent Portfolio Developments" in this Part 6.

No.	Project Name	Project Company	John Laing's interest in Project Company	Total Equity Committed/ Invested (par value)	Region	Sector	Asset Type	Revenue basis	Status	Operational Date	End Date
1	IEP (Phase 1)	Agility Trains West (Holdings) Limited	24%	£50 - £100 million	UK	Transportation	Rolling Stock	Availability	Construction	2018	2044
2	IEP (Phase 2)	Agility Trains East (Holdings) Limited	30%	£50 - £100 million	UK	Transportation	Rolling Stock	Availability	Construction	2020	2046
3	A1 Gdansk Poland (Phases 1 and 2) . .	Gdansk Transport Company SA	29.69%	£10 - £25 million	Continental Europe	Transportation	Road	Availability	Operations	2009 (Phase 1) 2012 (Phase 2)	2039
4	Manchester Waste VL Co	Viridor Laing (Greater Manchester) Holdings Limited	50%	£25 - £50 million	UK	Environmental	Waste Treatment	Availability	Construction	2014	2034
5	Manchester Waste TPS Co	INEOS Runcorn (TPS) Holdings Limited	37.43%	£10 - £25 million	UK	Environmental	Waste Treatment	Availability	Construction	2014	2034
6	New Royal Adelaide Hospital	SA Health Partnership Holding Nominees Pty Limited	17.26%	£25 - £50 million	Asia Pacific	Social Infrastructure	Hospital	Availability	Construction	2016	2046
7	Denver Eagle P3 . . .	Denver Transit Holdings LLC	45%	£10 - £25 million	North America	Transportation	Rail	Availability	Construction	2017	2044
8	Dungavel Wind Farm	Dreachmhor Wind Farm (Holdings) Limited*	100%	£25 - £50 million	UK	Renewable Energy	Wind Farm	Volume	Construction	2015	2033
9	City Greenwich Lewisham (DLR) .	City Greenwich Lewisham Rail Link plc	52%**	£10 - £25 million	UK	Transportation	Rail	Volume	Operations	2002	2021
10	M6 Hungary	MAK Mecsek Autópálya Zártkörüen Müködö Részvénytársaság	30%	£10 - £25 million	Continental Europe	Transportation	Road	Availability	Operations	2010	2037
11	Croydon BWH	John Laing (Croydon Development Company) LLP	100%[(1)]	£10 - £25 million	UK	Social Infrastructure	Office	Financial Arrangement Only	Operations	2013	2038
12	I-4 Ultimate	I-4 Mobility Partners	50%	£10 - £25 million	North America	Transportation	Road	Availability	Construction	2021	2054
13	Burton Wold Wind Farm	Burton Wold Extension Limited*	100%	£10 - £25 million	UK	Renewable Energy	Wind Farm	Volume	Construction	2014	2041
14	Branden Solar Parks .	Branden Solar Parks (Holdings) Limited*	100%	£10 - £25 million	UK	Renewable Energy	Solar Farm	Volume	Operations	2013	2038

No.	Project Name	Project Company	John Laing's interest in Project Company	Total Equity Committed/ Invested (par value)	Region	Sector	Asset Type	Revenue basis	Status	Operational Date	End Date
15	Carscreugh Wind Farm	Carscreugh Renewable Energy Park Limited	100%	£10 - £25 million	UK	Renewable Energy	Wind Farm	Volume	Construction	2014	2038
16	Severn River Crossing	Severn River Crossing plc	35%	£10 - £25 million	UK	Transportation	Bridge	Availability	Operations	1996	2018
17	North Birmingham MHH	Healthcare Support (Erdington) Holdings Limited*	100%[2]	<£10 million	UK	Social Infrastructure	Hospital	Availability	Operations	2002	2037
18	Metropolitan Police SEL.	Services Support (SEL) Holdings Limited	25%[2]	<£10 million	UK	Social Infrastructure	Police Station	Availability	Operations	2004	2029
19	Svartvallsberget Wind Farm	Svartvallsberget Holding AB*	100%	£10 - £25 million	Continental Europe	Renewable Energy	Wind Farm	Volume	Construction	2014	2039
20	Wear Point Wind Farm	Wear Point Wind Limited*	100%	<£10 million	UK	Renewable Energy	Wind Farm	Volume	Construction	2014	2033
21	Lambeth Housing . .	Regenter Myatts Field North Holding Company Limited	50%	<£10 million	UK	Social Infrastructure	Social Housing	Availability	Construction	2016	2037
22	A55	UK Highways A55 (Holdings) Limited	50%	< £10 million	UK	Transportation	Road	Shadow Toll	Operations	2005	2028
23	Auckland South Corrections Facility	Securefuture Wiri Holdings Limited	30%	£10 - £25 million	Asia Pacific	Social Infrastructure	Prison	Availability	Construction	2015	2040
24	A130	County Route Limited* County Route 2 Limited*	100% 100%	< £10 million	UK	Transportation	Road	Shadow Toll	Operations	2003	2030
25	Oldham Housing . . .	Inspiral Oldham Holding Company Limited*	95%	<£10 million	UK	Social Infrastructure	Social Housing	Availability	Construction	2014	2036
26	New Perth Stadium .	Westadium Project*	100%[2]	£25 - £50 million	Asia Pacific	Social Infrastructure	Stadium	Availability	Construction	2018	2042
27	Alder Hey in the Park	Alder Hey HoldCo 3 Limited	40%	<£10 million	UK	Social Infrastructure	Hospital	Availability	Construction	2015	2045
28	Aylesbury Vale Parkway	Aylesbury Vale Parkway Limited	50%	<£10 million	UK	Transportation	Rail	Availability	Operations	2008	2028
29	Surrey Street Lighting	SLS Holding Company Limited	50%[2]	<£10 million	UK	Transportation	Street Lighting	Availability	Construction	2015	2035
30	Coleshill Parkway . . .	John Laing Rail Infrastructure Limited*	100%	<£10 million	UK	Transportation	Rail	Availability	Operations	2007	2027

No.	Project Name	Project Company	John Laing's interest in Project Company	Total Equity Committed/ Invested (par value)	Region	Sector	Asset Type	Revenue basis	Status	Operational Date	End Date
31	A15 Netherlands	A Lanes A15 Holding BV	28%	£10 - £25 million	Continental Europe	Transportation	Road	Availability	Construction	2015	2035
32	New Generation Rollingstock	NGR Project Company Ltd	40%	£10 - £25 million	Asia Pacific	Transportation	Rolling Stock	Availability	Construction	2019	2046
33	Speyside Biomass	Speyside Renewable Energy Partnership Ltd	51%	£10 - £25 million	UK	Environmental	Biomass	Volume	Construction	2016	2041
34	Kirklees Housing	JLW Excellent Homes for Life Holding Company Limited*	80%[2]	<£10 million	UK	Social Infrastructure	Social Housing	Availability	Construction	2014	2034
35	Croydon & Lewisham Street Lighting	Croydon & Lewisham Lighting Services (Holdings) Limited	50%	<£10 million	UK	Transportation	Street Lighting	Availability	Construction	2016	2036
36	New Albion Wind Farm	New Albion Wind (Holdings) Limited	100%	<£10 million	UK	Renewable Energy	Wind Farm	Volume	Pre-Construction	2016	2041
37	NH3 Road India	Dhule Palesner Tollway Limited	36%	<£10 million	Asia Pacific	Transportation	Road	Availability	Operations	2012	2028
38	British Transport Police	Services Support (BTP) Holdings Limited	54.17%	<£10 million	UK	Social Infrastructure	Police Station	Availability	Operations	2002	2022
39	Cleveland Firearms	Services Support (Cleveland) Holdings Limited	27.08%	<£10 million	UK	Social Infrastructure	Police Training Centre	Availability	Operations	2001	2026
40	Kinnegar	Coastal Clear Water Holdings Limited	50%[2]	<£10 million	UK	Environmental	Water Treatment	Volume	Operations	2001	2024
41	DARA Red Dragon	Defence Support (St. Athan) Holdings Limited*	100%	<£10 million	UK	Social Infrastructure	Military Accommodation	Availability	Operations	2004	2019
42	A1 Germany	A1 mobil GmbH & Co. KG	42.50%	£25 - £50 million	Continental Europe	Transportation	Road	Volume	Operations	2013	2038
43	Rammeldalsberget Wind Farm	Rammeldalsberget Holding AB*	100%	£10 - £25 million	Continental Europe	Renewable Energy	Wind Farm	Volume	Construction	2016	2038
44	Hastings Property	Laing/Gladedale (Hastings) Limited	50%	n/a	—	—	—	—	—	—	—

* subsidiaries that are not consolidated under IFRS10

(1) In December 2014, Croydon Council exercised its right to buy out John Laing's interest in the Croydon BWH project for £20.25 million in cash. Pursuant to the JLPF Arrangement as described in paragraph 10.3 "JLPF Arrangement" of Part 14 "Additional Information", upon Admission, John Laing will transfer, *inter alia*, the £20.25 million in cash as well as a 47 per cent. interest in the City Greenwich Lewisham (DLR) project to JLPF.

(2) Since 30 September 2014, John Laing has sold, or is in the process of selling, all or part of its interests in these projects. See paragraph 9.1 "Disposals" below.

8.2 Key project investments

Descriptions of the key projects within the Group's primary and secondary investment portfolio are set out below. These seven projects comprised 48 per cent. of the Group's portfolio as at 30 September 2014.

8.2.1 Intercity Express Programme ("IEP") (Phase 1) and IEP (Phase 2)

The UK Department for Transport (the "DfT") signed contracts with Agility Trains for the delivery of trains, maintenance and services in connection with the DfT's IEP. John Laing has a 24 per cent. interest in IEP (Phase 1) (with Hitachi Rail Europe and Met Life having a 70 per cent. and 6 per cent. interest, respectively), which achieved financial close in July 2012, and a 30 per cent. interest in IEP (Phase 2) (with Hitachi Rail Europe having the remaining 70 per cent. interest), which achieved financial close in April 2014. IEP (Phase 1) and IEP (Phase 2) each had an expected HTM IRR at financial close in the range of 13 per cent. to 15 per cent.

IEP (Phase 1) was financed with equity and subordinated debt of £281 million and senior debt of £2.2 billion. IEP (Phase 2) was financed with equity and subordinated debt of £243 million and senior debt of £2.0 billion.

The IEP projects cover the finance, design, manufacture, delivery into daily service and maintenance, over a guaranteed minimum usage period of 26 years of a fleet of 122 Hitachi Super Express trains for the Great Western Main Line (Phase 1) and the East Coast Main Line (Phase 2). The new rolling stock will provide faster, higher capacity, more comfortable and more environmentally friendly services and will support growth on the United Kingdom's intercity rail routes. The project capital expenditure is projected to be £1.8 billion for IEP (Phase 1) and £1.6 billion for IEP (Phase 2). The IEP projects combined are one of the largest PPPs to be awarded. Construction and design work has commenced on Phases 1 and 2, with Phase 1 expected to be completed by July 2018 and Phase 2 expected to be completed by February 2020.

Under the project arrangements, Hitachi Rail Europe is the subcontractor in charge of supplying the trains and ensuring that they perform reliably on a daily basis. Trains are expected to enter passenger service from 2017 on the Great Western Main Line and from 2018 on the East Coast Main Line and to have a design life of 35 years.

During the guaranteed minimum usage period, the DfT procures that there is an appropriate train operating company in place to contract with the Project Company. Train operating companies are typically granted 10 year franchise contracts to operate trains on a specified section of the UK rail network. After the guaranteed minimum usage period, the Project Company will maintain ownership of the train fleet and expects to continue contracting with train operating companies until operation of the fleet is no longer commercially viable (presently anticipated to be at the end of the assumed 35 year useful economic life).

8.2.2 Manchester Waste VL Co and Manchester Waste TPS Co

In April 2009, the Greater Manchester Waste Disposal Authority ("GMWDA") signed a 25-year waste and recycling contract with a consortium comprising Viridor Waste Management ("Viridor") and John Laing. This contract resulted in the formation of two separate Project Companies to deliver two related projects with a combined construction cost of £631 million:

- Manchester Waste VL Co Ltd (in which John Laing has a 50 per cent. interest alongside Viridor): is a joint venture between Viridor and John Laing where the Project Company holds the PPP contract with GMWDA and is responsible for delivering a network of recycling facilities including five waste treatment sites in Manchester, which produce Solid Recovered Fuel ("SRF") suitable for incineration. The final site achieved formal take-over in November 2014 but delays have resulted in the lead construction contractor incurring liquidated damages payable to the Project Company under the construction contract. The expected HTM IRR at financial close for the project was in the 12 per cent. to 14 per cent. range. The project's capital structure includes £81 million in equity and subordinated debt and £317 million in senior debt.
- Manchester Waste TPS Co (in which John Laing has a 37 per cent. interest): is a joint venture between Viridor (37 per cent. interest), INEOS Chlor (25 per cent. interest) and John Laing and involves the construction of a combined heat and power facility at Runcorn in Cheshire. Heat and power produced from the burning of the SRF produced by Manchester Waste VL Co is supplied to INEOS Chlor for the production of chlorine at their adjacent facilities. Construction commissioning delays have been experienced by the main contractor Keppel Seghers, which has incurred liquidated

damages to be paid to the Project Company under the construction contract as a result. The facility successfully completed its 30-day commissioning test in early January 2015. The expected HTM IRR at financial close for the project was in the 12 per cent. to 14 per cent. range. The project's capital structure includes £67 million in equity and subordinated debt and £259 million in senior debt.

As a result of the delays on both phases, long stop dates in the project agreements have been exceeded. This in turn has led to breaches of the underlying credit agreements. To date, these breaches have been waived by project lenders, and the Directors expect this to continue until final commissioning of all installations, which is expected in the first quarter of 2015. There are cross-default clauses between the two credit agreements. See paragraph 2.14 "Failure at the project level to obtain consents or waivers in respect of a Project Company's financing documents could result in a termination of the affected project(s) and/or a loss of the Group's investment in such project(s)" in Part 1 "Risk Factors".

Additional risk premia over and above that typically applied for projects in their construction phase have been retained in the discount rates used to determine the fair value of these two investments, to reflect the risks associated with the commissioning.

8.2.3 New Royal Adelaide Hospital

In June 2011, the State of South Australia signed a 35-year contract with the SA Health Partnership consortium to finance, design, construct and operate the New Royal Adelaide Hospital. John Laing has a 17 per cent. interest in SA Health Partnership, alongside Leighton Infrastructure (10 per cent.), and four financial investors. The SPV's capital structure comprises AUD$343 million of total equity and AUD$2.5 billion in senior debt. The expected HTM IRR at financial close was in the 12 per cent. to 14 per cent. range. The New Royal Adelaide Hospital project, with a projected capital expenditure of AUD$1.85 billion, is the single largest infrastructure project in South Australia to date, designed to deliver the most advanced hospital in Australia with a modern environment and green initiatives. Containing 700 single bedrooms and 100 same-day beds, the hospital will have the capacity to admit over 80,000 patients per year.

Construction of the New Royal Adelaide Hospital commenced in 2011 and is scheduled for completion in 2016. The EPC contractor has made a claim in respect of additional costs directly related to ground contamination and remediation. This claim was submitted by the SA Health Partnership in November 2014 as a claim against the State of South Australia under the terms of the project agreement.

8.2.4 A1 Gdansk Poland (Phase 1 and Phase 2)

In July 2005, GDDKia, the Polish Ministry of Infrastructure, reached financial close on a 35-year contract with Gdansk Transport Company ("GTC") to design, build, finance and operate the A1 motorway in Poland. John Laing holds a 30 per cent. interest in GTC, alongside Skanska ID, Intertoll ID and NDI Autostrada. The contract comprises two concessions, with the first concession (Phase 1) involving the construction of 90 km of new road from Gdansk to Nowe Marzy in Northern Poland, and the second concession (Phase 2) comprising a 60 km road extension to the city of Torun at the southern end of the A1 motorway.

Construction works on Phase 1 (estimated at approximately €540 million) commenced in autumn 2005 and became fully operational in October 2008. Phase 2 (with construction works estimated at approximately €900 million) reached financial close in July 2009 and became fully operational in October 2011. This project is now in the operational phase, where GTC will manage and operate the motorway until 2039. The project has been one of Poland's biggest infrastructure projects in recent years. The A1 road has reduced journey times and added significant road capacity.

8.2.5 Denver Eagle P3

In August 2010, the Denver Regional Transportation District (the "DRTD") reached financial close on a construction and post-construction contract with the Denver Transit Partners ("DTP") consortium to design, build, finance, maintain and operate two new commuter rail lines and a portion of a third in the Denver Metropolitan area. The project capital expenditure is projected to be in excess of US$1.3 billion. John Laing has a 45 per cent. interest in DTP, alongside Fluor Enterprises (10 per cent.) and Aberdeen Asset Management (45 per cent.). DTP's capital structure consists of US$54 million in equity, US$398 million in public activity bonds and US$1.14 billion in state contributions. The expected HTM IRR for the project at financial close was in excess of 15 per cent.

The concession ends in December 2044, with the construction phase scheduled for 6 years. The rail lines run for a total distance of 36 miles, connecting Denver International Airport and Denver Union Station to each other and to other parts of the Denver Metropolitan area. Delays were encountered with obtaining a right of access that impacted on the construction programme. Such risk is borne by the Governmental Entity, and in this case resulted in relief events to cover the additional cost and time. The DRTD has also issued a number of high value variations since financial close, all of which have been or will be funded by it.

9. Recent Portfolio Developments

9.1 Disposals

Since 30 September 2014, the Group has disposed of all of its interests in five projects and part of its interest in one project to a number of third party infrastructure investors, including JLIF, for a total cash impact of £71.2 million:

- On 1 October 2014, John Laing disposed of all its shares in the Metropolitan Police SEL project to JLIF (pursuant to an agreement with JLIF dated 11 September 2014).
- In November 2014, Croydon Council exercised its right to acquire 100 per cent. of John Laing's interest in the Croydon BWH project. On 4 December 2014, John Laing agreed to contribute the proceeds to JLPF.
- On 5 December 2014, John Laing disposed of all its shares in the Kinnegar project to Lagan Projects Investments Limited.
- On 11 December 2014, John Laing disposed of 50 per cent. of its equity commitment to the New Perth Stadium project.
- On 19 December 2014, John Laing disposed of all its shares in the Kirklees Housing project and the Surrey Street Lighting project to JLIF.

Each of these disposals was achieved at or above the Book Value (as at 30 September 2014) of the respective project disposed.

Contractual conditions remain to be satisfied to enable completion of the sale of John Laing's interest in the North Birmingham MHH project to JLIF (pursuant to agreement with JLIF dated 11 September 2014). It is expected that completion will occur in February 2015.

9.2 JLPF Framework Agreement

On 4 December 2014, John Laing plc and John Laing Group plc entered into an agreement (the "JLPF Framework Agreement") with the trustee of JLPF (the "JLPF Trustee"). Under the JLPF Framework Agreement, which is conditional upon Admission, John Laing plc and John Laing Group plc have agreed to make an additional contribution of £100 million to JLPF. The obligation to make the additional contribution will be settled in part by the transfer of certain assets to JLPF, including, *inter alia*, a 47 per cent. interest in the City Greenwich Lewisham (DLR) project. The total value of the contribution as at 4 December 2014 was £100 million. This contribution will reduce the Portfolio Book Value of the Group's investment portfolio by £100 million, but at the same time will reduce the deficit within JLPF (as measured under IAS 19) by a corresponding amount, as well as reducing the amount of future cash contributions to JLPF. For more information on the JLPF Arrangement, see paragraph 10.3 of Part 14 "Additional Information".

9.3 New investment commitments

East West Link

In October 2014, the State Government of Victoria, Australia, and the East West Connect consortium (in which John Laing has an interest) successfully achieved financial close on the East West Link project in Melbourne, Australia. East West Link involves the design, construction, finance and operation of a new freeway-standard road link, including twin 4.4 km three-lane tunnels, connecting Melbourne's Eastern Freeway with the CityLink motorway. The project is a 30-year concession, involving a construction period of approximately 5 years and 25 years of operations, and has a projected total construction cost of AUD$5.3 billion.

In December 2014, following the election of the Labor Party to the government of the State of Victoria, Australia, the East West Connect consortium was given formal notice that the project has been suspended. While in opposition, the Australian Labor Party alleged that the project agreement could be invalid due to failures in process by the then government of the State of Victoria (the Governmental Entity for that project). John Laing is acting on the basis that the project agreement is valid and that the consortium will be entitled to compensation in accordance with the project agreement if the State exercises its right to terminate for convenience; in this case John Laing expects that its £63 million investment (secured by way of letter of credit and cash collateral) will be released. The process that the government will follow during, and following, the subsisting suspension is not currently known and it may be some months before a conclusion is reached.

10. Investment Pipeline

The Group's current investment pipeline comprises the Group's potential investment commitment in identified PPP and renewable energy project opportunities that are expected to be procured or be available in the near term, and includes, *inter alia*, projects where John Laing or a Consortium is either shortlisted or has already been appointed preferred bidder (in the case of PPP projects), or has secured exclusive positions (in the case of renewable energy projects). Actual bidding activity is predicated upon the opportunities and investment capital available at the time of bidding, as well as a determination at such time as to which projects will be economically favourable.

Movement in the pipeline over time can be attributable to, *inter alia*, the Group targeting higher volumes of investments and larger projects as well as the number of PPP tenders announced by Governmental Entities, the Group's own strategic decision to bid for certain contracts, the Group's or a Consortium's win (or loss) or withdrawal from bidding of contracts, an expansion in the geographies or markets in which the Group considers investing, availability of renewable energy projects and improvements in the visibility of potential bids.

10.1 PPP pipeline

As at 30 September 2014, John Laing's investment pipeline included approximately £1.1 billion of specifically identified PPP project opportunities expected to reach financial close during the course of the next three years. Of this £1.1 billion PPP pipeline, projects where John Laing or a Consortium was shortlisted comprised £128 million and projects where John Laing or a consortium had already been appointed preferred bidder comprised £63 million (as at 30 September 2014). The pipeline was weighted more towards international markets, with Asia Pacific accounting for approximately 35 per cent., North America accounting for approximately 17 per cent., Continental Europe accounting for approximately 44 per cent. and the United Kingdom and Ireland accounting for approximately 4 per cent. Currently, the majority of projects in the pipeline are within the transport sector, specifically road and rail projects, spread across each of the Group's geographic markets.

The table below shows the Group's specifically identified PPP pipeline as at 30 September 2014, split by sector.

	Number of projects	Total potential investment commitment
		(£ millions) (unaudited)
Social Infrastructure	8	150
Transport	33	892
Environmental	3	47
Total	**44**	**1,089**

John Laing's PPP pipeline is constantly evolving as specific opportunities are removed and new opportunities are added. Historical experience has shown that over a three-year period roughly one half to two thirds of bids submitted by the Group relate to specific opportunities included in its pipeline at the start of the period, with the balance relating to opportunities identified subsequently.

The table below shows the Group's PPP pipeline of potential opportunities as at 30 September 2014 and as at 31 December for each of the years from 2010 to 2013. The table also shows a breakdown of the pipeline by year of when identified projects were expected to reach financial close.

	As at 30 September	As at 31 December			
Year expected to reach financial close	**2014**	**2013**	**2012**	**2011**	**2010**
		(£ millions) (unaudited)			
Year 1	421	206	301	256	126
Year 2	371	455	327	353	210
Year 3	297	325	297	226	266
Total	**1,089**	**986**	**925**	**835**	**602**

From time to time, the Group is invited to join an existing consortium, bringing its expertise and capital to a project at a relatively late stage to help ensure its successful completion. These opportunities can emerge with relatively limited notice and often originate from partners with whom the Group has established relationships. Such projects present an attractive opportunity for John Laing as the Group incurs lower bidding costs prior to financial close. Examples include the Denver Eagle P3 investment in the United States and the New Royal Adelaide Hospital investment in Australia.

10.2 Renewable energy pipeline

The Group's investment pipeline for renewable energy projects is generally more near-term than for PPP. As at 30 September 2014, John Laing's investment pipeline included £275 million of specifically identified renewable energy project opportunities that are expected to reach financial close during the course of the next two years. Of this £275 million, approximately £94 million related to projects where the Group had secured exclusive positions (as at 30 September 2014). This pipeline currently only takes into account investment opportunities within the United Kingdom and Ireland (approximately 45 per cent. of John Laing's renewable energy pipeline value) and other European countries (approximately 55 per cent. of John Laing's renewable energy pipeline value).

11. Dividend Policy

The Board intends to distribute to shareholders a sustainable dividend, reflecting the underlying performance and cash flow dynamics of the Group's business. The Board intends to pay a base dividend of £20 million for the financial year ending 31 December 2015, reduced pro rata for the period from the date of Admission. Going forward, the Board intends to adopt a progressive base dividend policy targeting growth at least in line with inflation.

The Board also intends to distribute special dividends of approximately 5 to 10 per cent. of gross proceeds from the sale of investments on an annual basis, subject to specific investment requirements in any one year. Although the Board's intention is to pay the additional distributions through special dividends, it may consider the use of share buy-back authority or other capital distribution methods as appropriate.

The Board intends to pay interim base dividends in October of the relevant financial year and final base dividends in May of the following financial year along with any special dividend. Interim base dividends will be paid as approximately one-third of the previous financial year's total base dividend. Following the Offer, the first interim base dividend will be paid as approximately one-third of the base dividend for the financial year ending 31 December 2015, pro rata for the period from the date of Admission.

12. Information Technology

In addition to the standard applications within the Microsoft Productivity Suite (Word, Outlook, Excel and Powerpoint), John Laing's four principal business applications are Agresso (general accounting system), Trace (Human Resources), SharePoint (document / record management, Intranet and internal and external collaboration sites) and Profund (pensions). Consistent with industry practice, substantial use is made of Excel, for example, for financial modelling and managing bidding activities and costs.

The applications all use the Microsoft SQL database application as their database storage and management software. These services are highly resilient and have backup facilities with a short return to operation timeframe.

The Agresso financial management system was installed during 2011 and upgraded with effect from January 2014. The Group uses Agresso for financial management across the Group, and most Project Companies where it provides services pursuant to an MSA.

The Group currently outsources its IT requirements to a third party, Wirebird.

13. Environment

The Group aspires to reduce the impact on the environment of the infrastructure projects in which it invests, for example, in terms of greenhouse gas emissions and the volume of waste going to landfill. Environmental considerations play an important part in any PPP procurement, ongoing construction and operations and are a central feature of the planning approvals granted for renewable energy projects.

John Laing's corporate objective to reduce the volume of waste it and its end-users produce is embedded within the culture of the business, from top management to staff. Where possible, the Group aims to educate end-users by raising awareness of the negative environmental impact waste has and of the small changes that can be made to lessen the volume of materials sent to landfill. John Laing's investments in renewable energy projects are contributing to reduced CO_2 emissions.

14. Health and Safety

John Laing holds independent third party certification to the internationally-recognised British Standard occupational health and safety management system ("BS OHSAS") 18001:2007 and environment management system BS EN ISO 14001:2004. This standard enables the Group to demonstrate its ongoing commitment to the health and safety of its staff and anyone who may be directly or indirectly affected by its activities.

Through this certification, the Group has seen a continued improvement in its performance in terms of health and safety management, incident reporting and investigation, employee engagement and occupational health and wellbeing. The Group has been awarded a RoSPA Gold Medal Award for Occupational Health and Safety for the past six years, which reflects the effectiveness of the Group's management system and the safety performance achieved.

At the project level, the Group proactively reviews the health and safety performance of those providing services and activities to projects, including subcontractors, and seeks to ensure that project subcontractors are informed of the Group's policy relating to health and safety requirements.

15. Insurance

John Laing has used Jardine Lloyd Thompson Group plc ("JLT") as its broker for Group cover (excluding the Project Companies) since 2003. Group insurance is purchased on a worldwide basis wherever possible and covers, *inter alia*, employers' liability, public and product liability, professional indemnity, directors' and officers' liability, crime and material damage and terrorism. Where worldwide cover is not available local overseas policies are used. The policies are tendered each year and the insurer may differ by policy. Levels of cover for each policy are reviewed each year.

Insurance at the project level is the responsibility of each Project Company, and the scope of coverage is often stipulated by the respective project and credit agreements. With respect to certain of the Project Companies, John Laing together with Aon UK (as insurance broker) has created "insurance portfolios" to benefit from the bulk buying of insurance cover for projects in which John Laing, JLIF or JLEN has an investment interest. The costs of such insurance coverage are paid for by the relevant Project Companies and are included in the financial models for the relevant projects.

For other Project Companies (where John Laing is not the arranger of cover), required insurance policies are arranged by other means (for example, directly by the SPV or via other investor insurance portfolios) and are not included within the John Laing insurance portfolios. The John Laing insurance portfolios do not provide construction phase insurance, which is always arranged by a Project Company as a condition of reaching financial close.

16. Corporate Social Responsibility

The Group works closely with its employees and strategic charitable partners to deliver its community investment agenda and participates in several community-based welfare schemes. The John Laing Charitable Trust ("JLCT") supports the work of welfare visitors who look after the needs of certain of the

Group's former employees and their surviving partners. Its trustees set aside funds each year to provide financial help and assistance to current and former employees. JLCT also provides grants to employees through its "make a difference" and "matched giving" schemes to support charities and good causes.

17. Employees

The following table details the numbers of the Group's employees by division as at 30 September 2014, 31 December 2013, 31 December 2012 and 31 December 2011:

	As at 30 September	As at 31 December		
Employees by division[1]	**2014**	**2013**	**2012**	**2011**
Primary Investment	48	53	97	93
Asset Management (excluding JLCM)[2]	147	106	113	112
JLCM	12	8	10	n/a
Central[3]	29	39	47	53
Total	**236**	**206**	**267**	**258**

[1] Excludes headcount for John Laing Integrated Services Ltd ("JLIS"), the Group's previous facilities management business which was sold in October 2013, and John Laing Charitable Trust, the Laing family's charitable trust as costs associated therewith are recharged to the trust.

[2] The Asset Management team provides investment management services and project management services to projects in both the Group's primary investment portfolio and secondary investment portfolio.

[3] The staff in Central cover a variety of Group Central support functions and include, *inter alia*, Board, Legal, Finance, Treasury, Tax, Internal Audit, HR and IT.

The reduction in headcount in the Primary Investment division over the period shown above was principally due to reductions in staff numbers which occurred in 2013 within the Group's UK activities as John Laing re-aligned its human resources and cost base, recognising a more international focus to its PPP pipeline. The increased headcount in the Asset Management division since 31 December 2013 was primarily as a result of new business as well as due to a transfer of certain Central staff at the start of 2014.

None of the Group's employees is covered by a collective bargaining agreement or represented by a labour organisation. The Group considers its relations with its employees to be good.

PART 7
DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

1. Directors

The following table lists the names, positions and ages of the Directors:

Name	Age	Position
Phil Nolan	61	Non-Executive Chairman
Olivier Brousse	49	Chief Executive Officer
Patrick O'Donnell Bourke	57	Group Finance Director
David Rough	64	Senior Independent Director
Jeremy Beeton	61	Independent Non-Executive Director
Toby Hiscock	55	Independent Non-Executive Director
Anne Wade	42	Independent Non-Executive Director
Priscilla Davies	43	Non-Executive Director
Guy Pigache	54	Non-Executive Director

Phil Nolan (Non-Executive Chairman)

Phil joined John Laing in 2010. He has a wealth of experience on the boards of many companies, private and public and in both an executive and non-executive capacity. He is Chairman of Affinity Water Limited, Ulster Bank Limited and Ulster Bank Ireland Limited (a subsidiary of Ulster Bank Limited), and a non-executive director of Providence Resources Plc and EnQuest PLC. He was Chairman of Infinis, a then privately held, leading renewable energy generator between 2007 and 2010, Chairman of Sepura plc, a listed, global supplier of TETRA radios between 2007 and 2010 and CEO of Eircom, Ireland's national telecommunications supplier from 2002 to 2006. Prior to that, he served as an Executive Director of BG Group plc and CEO of Transco plc from 1998 and in 2000, as CEO, led the demerger of Transco from the Lattice Group.

Olivier Brousse (Chief Executive Officer)

Olivier joined John Laing in March 2014. Following graduation from École Polytechnique and École Nationale des Ponts et Chaussées in France, he became Commercial Director of Unic Systems and then Chief of Staff to the Chairman and CEO of Compagnie Générale des Eaux, both in France. In 1998, he moved to London as CEO of Connex South Eastern and then joined Veolia, first as CEO of Veolia Transportation Inc. in Washington DC and then as Deputy CEO of Veolia Transport Group, responsible for French and US businesses. From 2008 to 2014, he served as CEO and then Executive Chairman of Saur SA in France.

Patrick O'Donnell Bourke (Group Finance Director)

Patrick joined John Laing in 2011. He graduated from Cambridge University and qualified as a chartered accountant with Peat Marwick (now KPMG) before spending nine years in investment banking, first with Hill Samuel and then with Barclays de Zoete Wedd. In 1995, he joined Powergen plc where he was responsible for mergers and acquisitions before becoming Group Treasurer. From 2000 to 2006, he was Group Finance Director of Viridian Group PLC, the Northern Ireland based energy group, becoming Group Chief Executive in 2007 after Viridian was taken private. He joined the Board of Affinity Water Limited in July 2013 as a non-executive director.

David Rough (Senior Independent Director)

David joined John Laing in December 2014. He has spent his life working in the financial services sector predominantly in the investment management business. He joined Legal and General in 1988 and was made head of securities in 1989. In 1991, David was appointed Group Director (Investments) and this role included being responsible for and managing both the business' private equity and property operations. He retired from the business in 2002. During that time he also served as chairman of the Association of British Insurers' Investment Committee. David has been a non-executive and senior independent director on a number of boards, including Land Securities, London Metal Exchange, Friends Provident and Xstrata. Since 2003, David has been a non-executive director of Brown Shipley, a wealth management business.

Jeremy Beeton (Independent Non-Executive Director)

Jeremy joined John Laing in December 2014. Jeremy is a Fellow of the Institution of Civil Engineers with 40 years of international experience in project and programme management over very large multi-site, multiple project operations portfolios for and within government, public companies and private companies. He has lived and worked extensively in the Middle East and Asia Pacific. He is currently a Supervisory Board member for Royal Imtech NV, an independent non-executive director for SSE plc, an Advisory Board member for PricewaterhouseCoopers LLP and Chairman of Merseylink Ltd. Additionally, Jeremy sits on the governing Court of Strathclyde University. He was Director General of the London 2012 Olympic and Paralympic Games from 2007 until the Olympic Baton was passed on to Rio de Janeiro. For eight years prior to this, he was a Principal Vice President with Bechtel, responsible for their worldwide civil operations. Jeremy was awarded CB in the 2013 New Years Honours and holds an honorary Doctor of Engineering from Napier University.

Toby Hiscock (Independent Non-Executive Director)

Toby joined John Laing in 2009. Toby is a qualified chartered accountant with 33 years' experience as a finance professional. He was the Chief Financial Officer and an Executive Director of Henderson Group plc from 2003 until his retirement in 2009, and was responsible for all aspects of financial stewardship of the Henderson Group. Before Henderson, he was a senior manager at Midland Bank Group in London and from 1981 to 1988 worked for Binder Hamlyn, Chartered Accountants after graduating from Oxford University. Toby is also a non-executive director of and consultant to a number of other public and private institutions.

Anne Wade (Independent Non-Executive Director)

Anne joined John Laing in December 2014. An asset manager by background, Anne has extensive experience in capital markets. From 1995 to 2012, she was Senior Vice President and Director of Capital International. Throughout her 17 year career with Capital, she was responsible for infrastructure related investments. Anne is a Non-Executive Director and member of the Governance and Strategy Committee of Holcim, based in Switzerland. Anne is also a director of the Heron Foundation in New York and Big Society Capital, in London, and an Associate with Leader's Quest. She has a BA from Harvard and an MSc from the London School of Economics.

Priscilla Davies (Non-Executive Director)

Priscilla joined John Laing in 2011. She is the Managing Director of Henderson Equity Partners, which specialises in Asian private equity, infrastructure and private equity fund of funds. Priscilla has over 20 years' experience in financial services having qualified as a chartered accountant. Priscilla joined Henderson Group in 2000 in a senior tax role and moved to Henderson's private equity division in 2004 where she oversaw its finance and investment operations. Prior to Henderson, Priscilla was a tax professional with PricewaterhouseCoopers in both their Sydney and London offices. Priscilla holds a Bachelor of Commerce (Accounting and Legal Studies) from the University of Wollongong.

Guy Pigache (Non-Executive Director)

Guy joined John Laing in 2007. He is Head of Henderson's infrastructure investment business. He has over 22 years of experience in the infrastructure concession market and has developed Henderson's infrastructure business, investing over £1 billion, directly or indirectly, in concession-based infrastructure. Prior to joining Henderson, Guy was Co-Head of HSBC's PPP infrastructure investment business. In addition to his experience in providing financial equity to concession-based projects, Guy has acted as a financial adviser on projects for both the UK Government and private sector clients. Guy was also a Director of Charterhouse, the merchant bank, where he worked on corporate reconstructions, MBOs, leveraged finance and corporate banking. Guy has a BSc Honours degree in Maths and Physics from Kings College, London.

2. Senior Management Team

The Company's current senior management team, in addition to the Executive Directors listed above, is as follows:

Name	Age	Position
Derek Potts	56	Managing Director of Primary Investment
Chris Waples	55	Managing Director of Asset Management
Carolyn Cattermole	54	Group General Counsel and Company Secretary

Derek Potts (Managing Director of Primary Investment)

Derek joined John Laing in 2001. He heads the Primary Investment division and has responsibility for all the Group's bidding and primary investment activities, both in the United Kingdom and internationally. For several years, he has led the Group's expansion into a number of international markets and new sectors. Derek is a qualified chartered accountant, having graduated as an engineer. He previously held senior positions with Jardine Matheson UK, GB Railways Group plc and Virgin Group.

Chris Waples (Managing Director of Asset Management)

Chris joined John Laing in 2007. He is responsible for the Group's asset management activities which cover the Group's portfolio of primary and secondary investments, as well as investments held by third parties. His responsibilities also cover information technology and health and safety. Chris formerly held senior management positions with Amey plc, Scottish Power plc and Blue Circle plc. He is a trustee of the John Laing Charitable Trust.

Carolyn Cattermole (Group General Counsel and Company Secretary)

Carolyn joined John Laing in September 2012 as Group General Counsel and Company Secretary. Her previous roles were General Counsel and Company Secretary of DS Smith Plc, the international supplier of recycled packaging, for ten years, and Company Secretary of Courtaulds Textiles plc for three years. Prior to that, she was a senior legal adviser with Courtaulds plc, having qualified as a solicitor with Norton Rose.

3. Corporate governance

UK Corporate Governance Code

The Board is committed to the highest standards of corporate governance. As at the date of this Prospectus and on and following Admission, the Board will comply with the UK Corporate Governance Code (the "Governance Code") published in September 2014 by the Financial Reporting Council. As envisaged by the Governance Code, the Board has established an audit committee, a nomination committee and a remuneration committee. The Board has also established a risk committee and an investment committee as management committees. If the need should arise, the Board may set up additional committees as appropriate.

The Governance Code recommends that at least half the board of directors of a UK-listed company, excluding the chairman, should comprise non-executive directors determined by the board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the director's judgement. The Board considers that each of David Rough, Toby Hiscock, Jeremy Beeton and Anne Wade are independent and therefore that the Company complies with the requirements of the Governance Code in this respect.

Audit committee

The audit committee's role is to assist the Board with the discharge of its responsibilities in relation to financial reporting, including reviewing the Group's annual and half year financial statements and accounting policies, internal and external audits and controls, reviewing and monitoring the scope of the annual audit and the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the internal audit, internal controls, whistleblowing, anti-money laundering and fraud systems in place within the Group. The audit committee will normally meet not less than four times a year.

The audit committee is chaired by Toby Hiscock and its other members are David Rough and Jeremy Beeton. The Governance Code recommends that the audit committee comprises at least three non-executive directors, who are independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment and that one such member has recent and relevant financial experience. The Board considers that the Company complies with the requirements of the Governance Code in this respect.

Nomination committee

The nomination committee assists the Board in reviewing the structure, size and composition of the Board. It is also responsible for reviewing succession plans for the Directors, including the Chairman and Chief Executive, and other senior executives. The nomination committee will normally meet not less than twice a year.

The nomination committee is chaired by Phil Nolan and its other members are Anne Wade, David Rough, Jeremy Beeton, Toby Hiscock and Olivier Brousse. The Governance Code recommends that a majority of the nomination committee be non-executive directors, who are independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment. The Board considers that the Company complies with the requirements of the Governance Code in this respect.

Remuneration committee

The remuneration committee recommends the Group's policy on executive remuneration, determines the levels of remuneration for the Executive Directors, the Chairman and the Non-Executive Directors and other senior executives and prepares an annual remuneration report for approval by the Shareholders at the annual general meeting. The Remuneration Committee will normally meet not less than twice a year.

The remuneration committee is chaired by Anne Wade and its other members are David Rough, Jeremy Beeton and Toby Hiscock. The Governance Code recommends that the remuneration committee comprises at least three non-executive directors, who are independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment. The Board considers that the Company complies with the requirements of the Governance Code in this respect.

Investment committee

The purpose of the investment committee is to make recommendations to the Board, or to approve proposals within its delegated authority, in relation to the Group's investments in infrastructure projects. The committee also reviews the Group's portfolio valuation process and monitors the balance of risk across the portfolio. The activities, recommendations and approvals of the investment committee are reported to the Board. The committee's delegated authorities are reviewed annually by the Board and are currently set at £20 million for PPP investments and £10 million for renewable energy investments (including biomass).

Members of the investment committee are appointed by the Board and comprise the Executive Directors, the Managing Director of Primary Investment, the Managing Director of Asset Management, the Group General Counsel and Company Secretary and such other persons as the Board shall appoint from time to time. The investment committee is currently chaired by the Managing Director of Asset Management.

Risk committee

The risk committee's role is to assist the audit committee in monitoring financial, legal and regulatory risk, by reviewing the internal control and risk policy management systems of the Group and to assist the audit committee and the Board in monitoring the Group's risk management policy. The risk committee will normally meet at least four times a year.

Members of the risk committee are appointed by the Board and comprise at least three members of the senior management team, including the Group Finance Director. The risk committee is chaired by the Group Finance Director and its other members are the Group General Counsel and Company Secretary and three other senior members of management.

Share dealing code

The Company has adopted, with effect from Admission, a code of securities dealings in relation to the Shares which is based on, and is at least as rigorous as, the Model Code as published in the Listing Rules. The code adopted will apply to the Directors and other relevant employees of the Group.

4. Relationship Agreement with principal shareholder

Immediately prior to Admission, the Selling Shareholder will hold 100 per cent. of the voting rights attached to the issued share capital of the Company. Immediately following the Offer and Admission, it is expected that the Selling Shareholder will hold between 39.9 and 69.9 per cent. of the issued share capital of the Company (assuming that the Existing Share Offer Size is set within the Existing Share Offer Size Range and no exercise of the Over-allotment Option). Shortly following Admission, the Selling Shareholder is expected to distribute its entire holding of Shares to its parent company, HPC Nominees Limited, the nominee of the Henderson Funds. Furthermore, upon expiry of the lock-up arrangements and orderly market arrangements described in Part 13 "Details of the Offer" and any further sales of Shares at that time, it is intended that HPC Nominees Limited will distribute its entire holding to the underlying investors in the Henderson Funds, at which point the Relationship Agreement will terminate in accordance with its terms.

None of the Company's major shareholders have or will have different voting rights attached to the Shares they hold.

On 29 January 2015, the Company, the Selling Shareholder, HPC Nominees Limited and the Henderson Funds (acting through the Henderson General Partner) entered into the Relationship Agreement which will, conditional upon Admission, regulate the ongoing relationship between the Company, the Selling Shareholder, HPC Nominees Limited and the Henderson Funds. The principal purpose of the Relationship Agreement is to ensure that the Company and its subsidiaries are capable of carrying on their business independently of the Selling Shareholder, HPC Nominees Limited and the Henderson Funds, that transactions and relationships with the Selling Shareholder, HPC Nominees Limited and the Henderson Funds (including any transactions and relationships with any member of the Group) are at arm's length and on normal commercial terms, that the goodwill, reputation and commercial interests of the Company are maintained and that the Selling Shareholder, HPC Nominees Limited and the Henderson Funds do not take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules, the Disclosure Rules and Transparency Rules, the requirements of the London Stock Exchange, the FSMA or the Financial Services Act or the principles of good governance set out in the Corporate Governance Code. The Relationship Agreement will continue for so long as (a) the Shares are listed on the premium listing segment of the Official List and traded on the London Stock Exchange's main market for listed securities and (b) the Selling Shareholder, HPC Nominees Limited and the Henderson Funds together with their associates hold 15 per cent. or more of the Shares.

Under the Relationship Agreement, the Selling Shareholder, HPC Nominees Limited or the Henderson Funds (as applicable) are entitled to appoint two Non-Executive Directors to the Board for so long as they hold 30 per cent. or more of the Shares. For so long as the Selling Shareholder, HPC Nominees Limited or the Henderson Funds (as applicable) hold 15 per cent. or more but less than 30 per cent. of the Shares, the Selling Shareholder, HPC Nominees Limited or the Henderson Funds (as applicable) are able to appoint one Non-Executive Director to the Board.

As set out above, it is anticipated that following the Offer and Admission, the Selling Shareholder will hold at least 30 per cent. or more of the Shares (even assuming exercise of the Over-Allotment Option). The first two such Non-Executive Directors appointed by the Selling Shareholder are Priscilla Davies and Guy Pigache.

Furthermore, under the Relationship Agreement, if at any time the Selling Shareholder, HPC Nominees Limited or the Henderson Funds is participating in a secondary offering of the Company's Shares, the Company shall provide reasonable cooperation and assistance to the Selling Shareholder, HPC Nominees Limited or the Henderson Funds (as applicable), subject to the Company and its management complying at all times with all applicable laws and regulation.

The Directors believe that the terms of the Relationship Agreement will enable the Group to carry on its business independently of the Selling Shareholder, HPC Nominees Limited and the Henderson Funds and ensure that all transactions and relationships between the Company and/or the members of the Group (on the one hand) and the Selling Shareholder, HPC Nominees Limited and the Henderson Funds and/or its associates (on the other) are, and will be, on arm's length terms and on a normal commercial basis.

5. Conflicts of interest

Priscilla Davies and Guy Pigache are each directors of the Selling Shareholder and the Henderson General Partner. Additionally, Priscilla Davies is a director of the Henderson Manager. The Henderson Manager is the manager of the Henderson Funds, which will, immediately following Admission, assuming the Existing Share Offer Size is set within the Existing Offer Size Range, control between 39.9 per cent. and 69.9 per cent. of the issued share capital of the Company (assuming no exercise of the Over-allotment Option).

Save as set out in the paragraph above, there are no potential conflicts of interest between any duties owed by the Directors or Senior Management to the Company and their private interests or other duties.

PART 8
SELECTED FINANCIAL INFORMATION

The selected financial information set out below has been extracted without material adjustment from Part 11 "Combined Historical Financial Information" of this document, where it is shown with notes describing some of the important line items.

The Company meets the definition of an investment entity as set out in IFRS 10 Consolidated Financial Statements. Investment entities are required to account for all investments, including subsidiaries, associates and joint ventures, at fair value through profit or loss, except for those subsidiaries that provide services that relate to the investment entity's investment activities. Such subsidiaries are consolidated, rather than recorded at fair value through profit or loss.

The impact of applying investment entity accounting on the Combined Historical Financial Information is as follows:

- transactions and balances receivable or payable between entities held at fair value and those which are consolidated are not eliminated;
- all amounts in the combined income statement in relation to entities held at fair value, including those relating to income, costs, finance costs, taxation, and dividends, are presented within the line item "net gain on investments at fair value through profit or loss";
- all balances in the combined balance sheet in relation to entities held at fair value, including all assets and liabilities, are presented within the line item "investments at fair value through profit or loss"; and
- cash outflows and inflows occurring within the entities held at fair value are not presented in the Group's combined cash flow statement as such entities are not consolidated.

1. Combined income statement

	Nine months ended 30 September		Year ended 31 December		
	2014	**2013**	**2013**	**2012**	**2011**
		(unaudited)			
			(£ millions)		
Continuing operations					
Dividend income	0.2	0.2	0.3	0.3	0.3
Net gain on investments at fair value through profit or loss	137.4	76.1	136.8	91.1	67.0
Other income	28.9	73.1	85.2	113.3	76.2
Operating income	**166.5**	**149.4**	**222.3**	**204.7**	**143.5**
Cost of sales	(0.3)	(35.6)	(37.9)	(44.8)	(43.0)
Gross profit	**166.2**	**113.8**	**184.4**	**159.9**	**100.5**
Administrative expenses	(45.6)	(47.2)	(63.8)	(68.1)	(58.3)
Other gains and losses	—	—	21.2	—	—
Profit from operations	**120.6**	**66.6**	**141.8**	**91.8**	**42.2**
Finance costs	(51.3)	(50.8)	(67.8)	(67.5)	(67.6)
Profit/(loss) before tax	**69.3**	**15.8**	**74.0**	**24.3**	**(25.4)**
Tax credit/(charge)	—	(0.1)	(2.3)	0.1	1.0
Profit/(loss) from continuing operations	69.3	15.7	71.7	24.4	(24.4)
Discontinued operations					
(Loss)/profit from discontinued operations (after tax)	(0.2)	(1.9)	(1.3)	(2.1)	0.4
Profit/(loss) for the period attributable to the owner of the Company	**69.1**	**13.8**	**70.4**	**22.3**	**(24.0)**

2. Combined balance sheet

	As at 30 September	As at 31 December		
	2014	2013	2012	2011
Non-current assets				
Intangible assets	0.9	1.3	2.9	3.4
Plant and equipment	1.4	2.2	3.8	0.9
Investments at fair value through profit or loss	842.2	745.0	635.5	581.8
Deferred tax assets	1.5	1.5	1.9	1.8
	846.0	**750.0**	**644.1**	**587.9**
Current assets				
Inventories—work in progress	—	—	0.2	0.1
Trade and other receivables	8.6	10.7	19.3	16.1
Cash and cash equivalents	2.9	2.3	6.5	6.6
	11.5	13.0	26.0	22.8
Assets classified as held for sale	—	0.6	4.7	3.0
Total assets	**857.5**	**763.6**	**674.8**	**613.7**
Current liabilities				
Interest-bearing loans and borrowings	(967.7)	(922.6)	(862.3)	(801.9)
Trade and other payables	(19.1)	(21.1)	(42.9)	(47.5)
	(986.8)	(943.7)	(905.2)	(849.4)
Liabilities directly associated with assets classified as held for sale	(9.1)	(9.8)	(10.5)	(6.8)
Net liabilities	**(984.4)**	**(939.9)**	**(885.0)**	**(830.4)**
Non-current liabilities				
Retirement benefit obligations	(197.4)	(204.4)	(189.8)	(161.0)
Provisions	(2.1)	(0.2)	(3.1)	(7.2)
	(199.5)	(204.6)	(192.9)	(168.2)
Total liabilities	**(1,195.4)**	**(1,158.1)**	**(1,108.6)**	**(1,024.4)**
Net liabilities	**(337.9)**	**(394.5)**	**(433.8)**	**(410.7)**
Equity				
Share capital	—	—	—	—
Share premium	387.5	387.5	387.5	387.5
Accumulated loss	(725.4)	(782.0)	(821.3)	(798.2)
—retirement benefit obligations	(197.4)	(204.4)	(189.8)	(161.0)
—other reserves	(528.0)	(577.6)	(631.5)	(637.2)
Deficit attributable to owner of the Company	**(337.9)**	**(394.5)**	**(433.8)**	**(410.7)**

3. Combined cash flow statement

	Nine months ended 30 September		Year ended 31 December		
	2014	2013	2013	2012	2011
		(unaudited)			
			(£ millions)		
Net cash outflow from operating activities	**(39.2)**	**(42.1)**	**(47.0)**	**(32.4)**	**(38.4)**
Investing activities					
Net cash transferred from investments held at fair value through profit or loss	40.2	40.4	27.3	37.4	32.9
Reduction/(increase) in other financial assets	—	2.8	2.9	(0.7)	2.5
Dividends received	0.2	0.2	0.3	0.3	0.3
Proceeds from disposal of subsidiaries, net of cash and disposal costs	—	(2.0)	9.3	—	—
Proceeds from disposal of investments, net of disposal costs	—	—	—	1.7	—
Purchase of computer software	—	—	—	(0.4)	—
Purchase of plant and equipment	—	(0.1)	(0.1)	(4.5)	(1.2)
Net cash from investing activities	**40.4**	**41.3**	**39.7**	**33.8**	**34.5**
Financing activities					
Interest paid	—	—	—	(0.7)	(0.8)
Proceeds from borrowings	—	0.8	0.8	—	—
Net cash from/(used in) financing activities	**—**	**0.8**	**0.8**	**(0.7)**	**(0.8)**
Net increase/(decrease) in cash and cash equivalents	**1.2**	**—**	**(6.5)**	**0.7**	**(4.7)**
Cash and cash equivalents at beginning of the period	**2.3**	8.3	**8.3**	**7.4**	**12.0**
Effect of foreign exchange rate changes	(0.6)	0.1	0.5	0.2	0.1
Cash and cash equivalents at end of period	**2.9**	**8.4**	**2.3**	**8.3**	**7.4**

PART 9
OPERATING AND FINANCIAL REVIEW

This Part 9 "Operating and Financial Review" should be read in conjunction with Part 2 "Presentation of Financial and Other Information", Part 5 "Industry Overview", Part 6 "Business Description" and Part 11 "Combined Historical Financial Information". Prospective investors should read the entire document and not just rely on the summary set out below. The financial information considered in this Part 9 "Operating and Financial Review" is extracted from the financial information set out in Part 11 "Combined Historical Financial Information".

The following discussion of the Company's results of operations and financial conditions contains forward-looking statements. The Company's actual results could differ materially from those that it discusses in these forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this document, particularly under Part 1 "Risk Factors" and Part 2 "Presentation of Financial and Other Information—Forward-Looking Statements". In addition, certain industry issues also affect the Company's results of operations and are described in Part 5 "Industry Overview".

The Company meets the definition of an investment entity as set out in IFRS 10 Consolidated Financial Statements. Investment entities are required to account for all investments, including subsidiaries, associates and joint ventures, at fair value through profit or loss, except for those subsidiaries that provide services that relate to the investment entity's investment activities. Such subsidiaries are consolidated, rather than recorded at fair value through profit and loss.

The impact of applying investment entity accounting on the Combined Historical Financial Information is as follows:

- *transactions and balances receivable or payable between entities held at fair value and those which are consolidated are not eliminated;*
- *all amounts in the combined income statement in relation to entities held at fair value, including those relating to income, costs, finance costs, taxation, and dividends, are presented within the line item "net gain on investments at fair value through profit or loss";*
- *all balances in the combined balance sheet in relation to entities held at fair value, including all assets and liabilities, are presented within the line item "investments at fair value through profit or loss"; and*
- *cash outflows and inflows occurring within the entities held at fair value are not presented in the Group's combined cash flow statement as such entities are not consolidated.*

1. Overview

John Laing is an originator, active investor and manager of international infrastructure projects. As at 30 September 2014, the book value of its investment portfolio ("Portfolio Book Value")[3] was £781 million (Gross Value: £1.1 billion) and the Group managed £965 million of External AUM.

John Laing's business is focused on major transport, social and environmental infrastructure projects awarded under governmental public-private partnership ("PPP") programmes, and renewable energy projects, across a range of international markets including Asia Pacific, North America, Continental Europe and the United Kingdom. The Group originates and invests in greenfield infrastructure, and then actively manages its investments in projects through their construction phase. Once operational, the Group either continues to hold and actively manage its interests over the lifetime of the projects (usually up to 30 years) or sells its interests in the projects to secondary market investors (in which case, the Group will typically retain an asset management role). As at 30 September 2014, the Group had interests in a large, diversified portfolio comprising 44 infrastructure projects, with a Portfolio Book Value of £715 million (excluding the Group's 39.7 per cent. shareholding in JLEN valued at £66 million), comprising £373 million of investments in projects in the construction phase and £342 million in the operational phase. The Group has committed investments to 109 projects, thereby establishing itself as a leading name in its core international markets and chosen sectors.

[3] The Portfolio Book Value is included within the "investments at fair value through profit or loss" line item in the Group's combined balance sheet (£842.2 million in total as at 30 September 2014, including the value of the Group's holding in JLEN of £66.0 million and cash and other assets of £61.1 million).

John Laing's business, which integrates origination, investment and asset management capabilities, is organised across three key areas of activity:

- Primary investments: John Laing's primary investment activities involve sourcing and originating, bidding for and winning greenfield infrastructure projects, typically as part of a consortium for PPP projects. The Group classifies its interests in PPP and renewable energy projects which have yet to reach "financial close" (when contractual commitment, including financing, is made to a project), or have reached financial close but which are not yet operational, as its "primary investment portfolio".
- Secondary investments: John Laing's secondary investment activities involve ownership of a substantial portfolio of interests in operational PPP and renewable energy projects. The Group classifies its investments in operational projects as its "secondary investment portfolio". Almost all of the Group's secondary investments were previously part of John Laing's primary investment portfolio.
- Asset management: The Group actively manages its own primary and secondary investment portfolios and provides investment advice and asset management services to two listed funds (JLIF and JLEN) through its wholly owned and FCA-regulated subsidiary, JLCM. As at 30 September 2014, JLCM's External AUM were £965 million.

One of the key characteristics of the Group's investments is the relative predictability of their cash flows given the structure of PPP contracts (typically, a Project Company's revenue is from a Governmental Entity based on the availability for use, or level of use, of the project's infrastructure asset) and the revenue regime of renewable energy projects (backed by government support mechanisms).

John Laing aims to deliver predictable returns and consistent growth in the value of its primary and secondary investment portfolios, as well as the assets it manages on behalf of third party investors.

2. Key performance indicators

2.1 Net asset value ("NAV") and Adjusted NAV

The Group's NAV represents the total net liabilities of the Group as reported in Part 11 "Combined Historical Financial Information". The Group's Adjusted NAV excludes amounts payable under shareholder loans to the parent undertaking, Henderson Infrastructure Holdco (Jersey) Limited. As part of the Reorganisation described in paragraph 1.11 of Part 14 "Additional Information", on 27 January 2015 the Group's shareholder loans were part waived and part capitalised. As a result, there are no shareholder loans on the Group's combined balance sheet subsequent to this date.

The following table demonstrates the evolution of the Group's NAV and Adjusted NAV during the period under review:

	As at 30 September 2014	As at December 31		
		2013	2012	2011
		(£ millions) (unaudited)		
Net Liabilities	**(337.9)**	**(394.5)**	**(433.8)**	**(410.7)**
Adjustments:				
Amounts payable under shareholder loans to parent undertaking	967.7	922.6	862.3	801.9
Adjusted NAV	**629.8**	**528.1**	**428.5**	**391.2**

2.2 Investment portfolio valuation

The Group's investment portfolio is made up of primary and secondary investments. As described above, the Group's primary investment portfolio comprises investments in PPP and renewable energy assets which have yet to reach the end of construction. The Group's secondary investment portfolio comprises investments in operational PPP and renewable energy assets, most of which were originated as primary investments by John Laing. During the nine months ended 30 September 2014, six new investments were added to the Group's primary investment portfolio and five investments transferred to the Group's secondary investment portfolio as the underlying projects moved into the operational phase.

The split between the Group's primary and secondary investments and the reconciliation between the Portfolio Book Value and Gross Value is shown in the table below:

	As at 30 September 2014		
	Portfolio Book Value	Cash collateral / LCs outstanding[2]	Gross Value
		(£ millions)	
Primary investments	373	290	663
Secondary investments	408	—	408
Total portfolio[1]	**781**	**290**	**1,071**

Notes:

(1) The cash flows on which the discounted cash flow valuation was based were those projected, as at 30 September 2014, to be distributable to the Group over the remaining life of the investments, derived from detailed project financial models. These incorporate assumptions reflecting the Group's expectations of future performance, including value enhancements.

(2) For PPP investments, at the point of financial close, John Laing typically posts collateral for its future equity commitments in the form of a bank-issued letter of credit ("LC") or in the form of cash collateral. LCs outstanding are off-balance sheet obligations, with the value associated with future investment commitments attaching to those LCs likewise not being recognised in the Portfolio Book Value of the Group's portfolio but rather recognised in the Gross Value of the Group's portfolio.

The Portfolio Book Value as shown above represents the Group's investments in projects and listed shares of JLEN and JLIF (to the extent relevant during the period under review) and does not include future investment commitments to projects secured by LCs or cash collateral. Where a commitment to a future investment is backed by a letter of credit ("LC") (and as at 31 December 2012 and 2011, by parent company guarantees), the obligation is an off-balance sheet obligation, but where such commitment is funded through cash collateral, this cash is recognised as a Group asset (within the line item "investments at fair value through profit or loss" in the combined balance sheet in the Combined Historical Financial Information). The Gross Value of the portfolio includes the value of both these LCs and cash collateral; while this measure is not in accordance with IFRS (unlike Portfolio Book Value which is an IFRS measure), the Directors believe that it is helpful in understanding the underlying value of the Group's portfolio. The table below shows the bridge from the Portfolio Book Value to the Gross Value of the portfolio as at 30 September 2014 and as at 31 December 2013, 2012 and 2011.

	As at 30 September	As at 31 December		
	2014	2013	2012	2011
	(£ millions)			
Portfolio Book Value	781	684	575	541
Cash collateral	48	8	10	0
LCs outstanding	242	159	182	186
Parent company guarantees supporting future investment commitments	—	—	13	16
Gross Value of the portfolio *(unaudited)*	**1,071**	**851**	**780**	**743**

Under its accounting policies, the Group is required to state its investment portfolio at fair value within the line item "investments at fair value through profit or loss" on the Group's combined balance sheet. Valuations for each of its investments are carried out by the Group every six months at 30 June and 31 December (and as at 30 September 2014 for the purpose of this Prospectus), and have been periodically reviewed and confirmed (as to valuation methodology and aggregate portfolio valuation) by an independent valuation adviser. Valuations for certain investments and a review of the investment portfolio as a whole are also carried out as at 31 March and 30 September.

Valuations are principally based on a discounted cash flow ("DCF") methodology, with the objective being to establish a fair value for each investment in the portfolio assuming that forecast project cash flows are received until maturity of the underlying asset. DCF valuation methodology is widely recognised by the broader infrastructure market. DCF valuation methodology is also applied to the Group's renewable energy investments, as this is considered to be the approach most likely to be adopted by secondary market purchasers; however, earnings multiple based valuations are also reviewed by the Group from time to time as these are sometimes considered applicable for market transactions. John Laing's valuation methodology is also informed by the Group's ongoing divestment programme which provides regular benchmark data.

Other sources of data include information provided by independent valuation advisers and as disclosed by listed secondary funds.

The Group maintains detailed cash flow models for each asset in the portfolio, allowing continuous monitoring of current valuations. These models form the basis for the Group's regular revaluation of the portfolio as part of its financial reporting procedures.

Typically, cash flow models are built by third party professional firms initially during the bidding phase of the project (the "financial close model"). Then, early during the operational phase of the project, the financial close model may be amended or rebuilt either to reflect material contract changes or to make it more functional for reporting purposes (the "operational model"). This often involves a simplification of the financial model as detailed construction phase calculations are no longer required and can be replaced with actual historic data. Both the financial close model and any operational model will be the subject of an independent review before being accepted by the Project Company and senior debt providers for project purposes.

In updating cash flow forecasts for investments, the Group will aim to incorporate up to date economic assumptions (for example, in relation to inflation rates and interest rates) as well as project specific assumptions (such as the forecast construction completion date or up-to-date forecasts for insurance premia). Under the Group's methodology, a benchmark discount rate for an operational project is derived from secondary market information, the Group's divestment track record, input from advisers active in the secondary market and other available data points. The benchmark discount rate is then adjusted to reflect additional project-specific risks. Risk premia are added during the construction phase to reflect the additional risks of construction. Where project cash flows are subject to some uncertainty (for example, in relation to whether the Project Company may incur unforeseen costs in relation to the settlement of a dispute), such uncertainty is accounted for in the discount rate applied to the project.

The risk premium under the Group's valuation methodology added for construction risk is typically reduced over time on a linear basis as a project progresses through its construction programme such that, by the time it reaches the operational phase, the construction risk premium has been removed. An immediate valuation uplift will typically be recorded at financial close resulting from the application of a valuation discount that is lower than the HTM IRR. Support for such an immediate premium has been evidenced by payments made by investors on occasions when John Laing has sold down interests in new investments shortly after financial close, although sales at this stage of a project's life are far less frequent than when projects become operational.

As at 30 September 2014, the Group applied a weighted average discount rate of 10 per cent. to the forecast cash flows from the projects comprising its primary investment portfolio and a weighted average discount rate of 9.2 per cent. to the forecast cash flows from the projects comprising its secondary investment portfolio. The range of valuation discount rates reflects both project specific risks and also, for primary projects, the progress of construction. For PPP projects in the initial construction stage, the discount rates applied by the Group, as at 30 September 2014, ranged from 9.5 per cent. to 12 per cent.; in the initial operations stage, the discount rates applied by the Group ranged from 7.5 per cent. to 10 per cent. For renewable energy projects in the initial construction stage, the discount rates applied by the Group ranged from 9 per cent. to 13 per cent.; in the initial operations stage, the discount rates applied by the Group ranged from 8 per cent. to 10 per cent.

By their nature, valuations are uncertain and rely on estimates and assumptions which are subject to risk. See paragraph 1.5 "The valuation of an investment in a project may not reflect its ultimate realisable value" in Part 1 "Risk Factors".

2.3 New investment committed

Management is targeting growth in new investment commitments in the medium term, underpinned by the international market opportunity for infrastructure development and the Group's access to a strong pipeline of projects.

Growth in investment commitments will be funded primarily through a combination of cash flow from operations, bank borrowing facilities, proceeds of the Offer and disposals of the Group's interests in operational projects to secondary market investors.

For the nine months ended 30 September 2014, the Group secured new investment commitments of £147 million in respect of seven projects. For the year ended 31 December 2013, the Group secured new investment commitments of £112 million in respect of 10 projects. For the year ended 31 December 2012, the Group secured new investment commitment of £146 million in respect of seven projects. For the year ended 31 December 2011, the Group secured new investment commitment of £61 million in respect of five projects.

Additionally, the Group reached financial close on the East West Link road project in Melbourne, Australia in early October 2014 for an investment commitment of £63.0 million (secured by way of LC and cash collateral). See paragraph 9.3 in Part 6 "Business Description" and paragraph 14.1 in Part 14 "Additional Information".

2.4 Investment pipeline

The Group's PPP pipeline as at 30 September 2014 of £1.1 billion comprised specifically identified projects that were expected to be procured or be available in the near term and includes, *inter alia*, potential investment commitments where John Laing or a Consortium was either shortlisted (approximately £128 million) or had already been appointed preferred bidder (approximately £63 million). Once the Group or a Consortium has secured a preferred bidder position for a PPP project, it is almost certain that the Group or such Consortium will take such project to financial close. The Group's renewable energy pipeline at 30 September 2014 of approximately £275 million included approximately £94 million of potential investments commitments where John Laing had secured an exclusive position.

The Group's investment pipeline is impacted by, *inter alia*: the number of PPP tenders announced by Governmental Entities; the Group's own strategic decision to bid for certain contracts; the Group's or a Consortium's win (or loss) or withdrawal from bidding of contracts; an expansion in the geographies or markets in which the Group considers investing; availability of renewable energy projects; improvements in the visibility of potential bids; and other factors as described further in paragraph 3 "Significant factors affecting the Group's results of operations" below. As a result, the Group's investment pipeline as at a specific date may change at any time as opportunities are added or removed for various reasons. Such factors contributed to the increase in the Group's PPP investment pipeline from approximately £600 million as at 31 December 2010 to £1.1 billion as at 30 September 2014.

Management uses the investment pipeline as a key metric for budgeting the Group's amount of future investment commitments and corresponding future capital requirements, though this metric is an uncertain indicator of actual bidding activity or future contracts. Accordingly, the investment pipeline may not be indicative of new investments the Group may secure or of the future value of the Group's investment portfolio. See paragraph 1.3 "The Group's investment pipeline is not a guarantee of actual bidding activity or future investments" in Part 1 "Risk Factors".

2.5 Annualised rate of return ("ARR"), money multiple ("MM") and hold-to-maturity internal rate of return ("HTM IRR")

For a description of how ARR, MM and HTM IRR are calculated, see paragraph 3 "Non-IFRS Financial Information" in Part 2 "Presentation of Financial Information".

Between 1 January 2007 and 30 September 2014, the Group committed over £800 million of investment (across both PPP and renewable energy projects) into 48 projects with an average forecast HTM IRR of 14 per cent. and an average project life of approximately 30 years. Of those 48 projects, 21 have been divested and the Company has achieved an actual weighted average ARR of 23 per cent. on its 19 PPP divestments and 25 per cent. on its two renewable energy divestments. In the case of the 19 PPP investments, the Group has realised on average a 2.0x MM on its capital committed over an average investment period of four years. In the case of the two renewable energy investments, the Group has realised on average a 1.4x MM on its capital committed over an average period of 1.7 years. In addition, in the period since 2007, the Group disposed of certain PPP investments made prior to 2007, in respect of which it achieved a higher weighted average MM and ARR.

The table below shows the returns on investments made and realised in the period between 1 January 2007 and 30 September 2014.

	PPP investments	Renewable energy investments
	(£ millions, unless stated otherwise) (unaudited)	
Number of investments sold	19	2
Average investment period (years)[1]	4.2	1.7
Capital committed	205	23
Sales value and pre-sale distributions	407	33
Average MM (x)	2.0	1.4
Average ARR (%)	23	25

Note:

[1] Average investment period includes both construction and hold period.

2.6 External AUM

The Group managed £965 million of External AUM as at 30 September 2014 under arm's length contracts with two separately listed and John Laing branded infrastructure funds (JLIF and JLEN). The principal profit driver for the Group's external asset management activities is fee income from investment management services which is earned from JLIF and JLEN. Such fee income is calculated as a percentage of the respective fund's portfolio value at a particular point in time. Additional fee income is also earned when JLIF makes acquisitions from third parties rather than from the Group at a percentage of the acquisition value.

The table below sets out the Group's External AUM and External AUM fees related to JLIF and JLEN for the nine months ended 30 September 2014 and the years ended 31 December 2013, 2012 and 2011.

	As at and for the nine months ended 30 September	As at and for the year ended 31 December		
	2014	2013	2012	2011
	(£ millions) (unaudited)			
External AUM	965	796	537	380
External AUM fees	7.5	8.2	5.7	3.8

Asset management income is generally paid as a percentage of the External AUM of the relevant fund. As External AUM increase (or decrease), asset management income increases (or decreases) accordingly. For more information on the fee arrangements between the Group, on the one hand, and JLIF/JLEN, on the other hand, see paragraph 7.1 "Investment management services" in Part 6 "Business Description".

Both funds are listed on the London Stock Exchange and had a combined portfolio value of £965 million as at 30 September 2014.

2.7 Disposals

As part of its overall funding approach, the Group evaluates selling its interests in Project Companies typically once they are in the operational phase as disposal proceeds can help contribute towards funding new primary investment activity. When investments are sold to JLIF or JLEN, the value of such investments contributes to growth in the value of the respective fund's portfolio, which in turn increases the Group's External AUM and thereby increases the Group's fee income.

For more information on the Group's disposals during the period under review, see paragraph 3.5 "Disposals" in this Part 9.

2.8 Cash yield from investments

The Group receives cash yield from its investments which primarily comprises payments from a Project Company, either in the form of dividends (on capital provided in the form of equity) or debt interest and repayments (in respect of capital provided in the form of a subordinated shareholder loan). In the Combined Historical Financial Information in Part 11, such cash yield is paid by Project Companies to Group subsidiaries which are held at fair value and as a result appears as a movement between Project Company assets and other assets in note 14 to the Combined Historical Financial Information.

For the nine months ended 30 September 2014, cash yield from investments in the investment portfolio was £8.9 million, as compared to £20.5 million for the nine months ended 30 September 2013. Cash yield in the nine months ended 30 September 2013 included amounts received from investments subsequently sold in 2013 totalling £11.7 million. For the last full year ended 31 December 2013, cash yield from investments was £29.3 million, as compared to £26.7 million and £25.2 million for the years ended 31 December 2012 and 2011, respectively. The distributions amounts as shown in note 14 of the Combined Historical Financial Information in Part 11 are higher than the amounts stated above as the amounts in note 14 include distributions from small investments in joint venture companies not included in the investment portfolio.

3. Significant factors affecting the Group's results of operations

3.1 Fair value movements in the Group's investment portfolio

The primary driver of the Group's operating income (and accordingly its overall results of operations) is the movement in the fair value of the Group's investment portfolio. As described in "Investment portfolio valuation" in paragraph 2.2 above, the value of the Group's investment portfolio changes from period to period in part as a result of aggregate net changes in the Group's assessment of the fair value of each investment in the Group's investment portfolio as well as changes in the composition of the Group's investment portfolio arising from new investment commitments and disposals during the relevant period.

3.1.1 Forecasting the evolution of the investment portfolio valuation

In view of the importance of the Group's portfolio valuation and fair value movements for the Group's combined income, balance sheet and cash flow statements and for the way in which the Group funds itself, John Laing undertakes regular and detailed forecasting of the potential evolution of the Group's Portfolio Book Value, including appropriate sensitivity analysis to reflect the inherent uncertainties in such forecasting. Furthermore, the forecasting approach the Group employs considers the evolution of the portfolio in terms of:

- the forecast performance of the current investment portfolio (the "Current Book") and assumptions in relation to disposals therefrom; and
- the quantum and potential performance of new primary investments (the "New Book") and assumptions in relation to future disposals therefrom.

The factors that will typically affect the movement in the Portfolio Book Value from period to period in terms of the primary investment portfolio, secondary investment portfolio and overall are set out in the table below:

Typical factors affecting overall portfolio valuation movement from period to period	Primary investment portfolio	Secondary investment portfolio	Overall investment portfolio
Cash movements:			
Cash injections	✔	n/a	✔
Cash yield from investments	n/a	✔	✔
Changes in portfolio composition:			
New investment commitments	✔	n/a	✔
Divestments	n/a	✔	✔
Transfers between primary and secondary	✔	✔	n/a
Other fair value movements:			
Changes to cash flow forecasts	✔	✔	✔
Changes to construction risk premia	✔	n/a	✔
Changes to project specific risk premia	✔	✔	✔
Changes to operational benchmark discount rate	✔	✔	✔
Discount rate unwind	✔	✔	✔
Foreign exchange	✔	✔	✔

In the table above the term "discount rate unwind" refers to the impact of the future forecast cash flows to be valued being one period closer to the valuation date (offset by any actual cash flows in the prior period no longer being included in the valuation assessment).

3.1.2 Portfolio Book Value development of Current Book

As set out in the table in paragraph 3.1.1 above, forecasting the movement in the value of the Current Book requires assumptions or information on a project by project basis.

(i) Cash subscriptions / new investment commitments

The table below sets out the forecast timing for contracted cash subscriptions into the Group's primary investment portfolio as at 30 September 2014

	3 months ended 31 December 2014 (actual)	**Year ending 31 December**				
		2015	**2016**	**2017**	**2018**	**Total**
		(£ millions) (unaudited)				
Contracted cash subscriptions	42	39	108	17	73	279[(1)]

Note:

(1) Reduced from £290 million as at 30 September 2014 following sell-down of one investment commitment in December 2014.

The fair value of the Group's primary investments within the Current Book will, all other things being equal, increase by the amount of any cash subscriptions made in the relevant period.

(ii) Distributions

Distributions from the Group's secondary investment portfolio are forecast based upon the individual project cash flow models maintained for each investment. The receipt of distributions, which are typically in the form of dividends and/or subordinated debt interest/repayments, during a period will reduce the remaining forecast cash flows from the investment portfolio and will cause a decrease in its value however, the discount rate unwind effect described above will typically act in part to offset such decrease.

(iii) Divestments

The Group's secondary investment portfolio provides the pool from which disposals can be made to contribute towards funding new investments in primary assets. In determining which investments the Group might plan to sell during any period, consideration will be given to the status of the underlying project, its value enhancement prospects and the demand within the secondary market as well as the funding needs of the Group. The table below shows the historic relationship between disposal proceeds from realisations and new investment commitments.

	Nine months ended 30 September 2014	**Year ended 31 December**		
		2013	**2012**	**2011**
	(£ millions)			
Realisations[(1)]	141	111	137	132
New investment commitments	147	112	146	61

Note:

(1) Represent proceeds from disposal of investments, net of disposal costs.

(iv) Transfers from primary investment portfolio to secondary investment portfolio

Investments transfer from the primary investment portfolio to the secondary investment portfolio when they reach the end of construction and commence operations. Each project within the Current Book has a forecast construction end date which informs the assumptions that the Group makes about internal transfers. The value at which each investment will transfer will reflect the cash subscription of equity (which will have occurred prior to construction completion) together with the valuation consistent with operational secondary market valuation discount rate benchmarks.

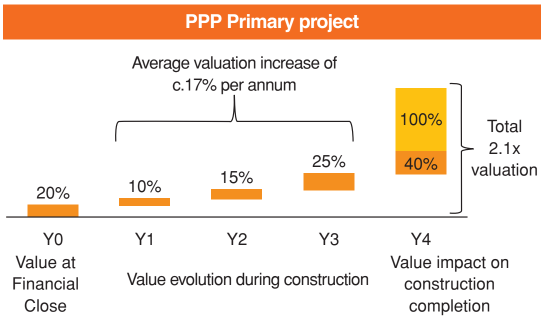
(v) Fair value movements

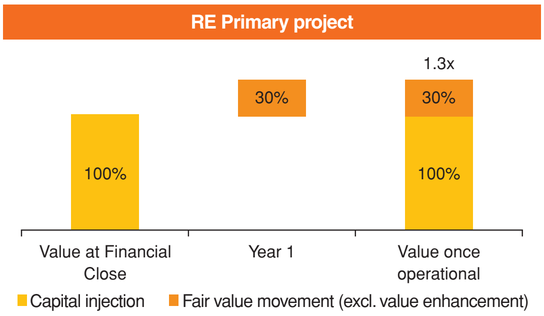
In forecasting future fair value movements the Group focuses primarily on (i) estimating the impact of the reduction in the valuation discount rate applicable to its primary investments as each investment progresses through to its operational phase and (ii) the effect of discount rate unwind. Typically, the Group does not make forecasts of the fair value impact of changes in operational benchmark discount rates (although it does consider the sensitivity of the portfolio valuation to movements in valuation discount rates), project specific premia or foreign exchange. Likewise John Laing does not forecast that new value enhancements will arise on its Current Portfolio albeit the Group will continue to seek all such opportunities.

3.1.3 Portfolio Book Value development of New Book

Actual cash flow models are used for valuation purposes once a project reaches financial close. For new investment commitments made during a given period, the Portfolio Book Value evolution of an investment is modelled by John Laing based on a standard template (supported by historical data as summarised in paragraph 3 "John Laing's Business Model" of Part 6 "Business Description" and paragraph 2.2 above) depending on whether it is a PPP investment or a renewable energy investment. The Group considers that for the purposes of its portfolio forecasting, the use of standard templates provides a reasonable approximation and no material additional benefit would arise from using draft cash flow models being developed for new investment opportunities within its investment pipeline as these are subject to frequent change and insufficient certainty over which of the underlying projects will reach financial close. As described in paragraph 3 of Part 6 "Business Description", future divestment returns are subject to a number of factors beyond the Group's control, including the strength of competition in primary markets and the level of demand in secondary markets for the Group's investments.

The standard templates for a new PPP primary investment and a new renewable energy primary investment are as illustrated below.





The templates are used in modelling the future portfolio evolution of the Group's portfolio as follows:

(i) Cash subscriptions / new investment commitments

A template PPP investment is assumed to have its cash subscription occurring, in full, four years after financial close. This is based on an assumed four year construction period for the underlying project. Furthermore, John Laing's commitment to make cash subscriptions in the form of equity/subordinated debt at a future date is assumed to be secured by a LC and/or cash collateral.

A template renewable energy investment is assumed to have full injection of cash directly into the new Project Company at financial close, before the start of an assumed construction period of one year, to satisfy its equity/subordinated debt commitment.

In terms of forecasting new investment volumes during any period, the Group establishes targets for new investments of both PPP and renewable energy projects as part of its normal annual budget process and will update the budget for actual performance and re-forecast future new investments on a regular basis. Cash subscription forecasts will therefore change accordingly.

The table below summarises new investment commitments for the three years ended 31 December 2011, 2012 and 2013 and for the nine months ended 30 September 2014. The table also shows the Group's budget target for new investments in 2015 with an approximate target split of two-thirds in PPP projects and one-third in renewable energy projects.

	Year ending 31 December 2015 (budget target)	**Nine months ended 30 September 2014**	**Year ended 31 December**		
			2013	**2012**	**2011**
	(unaudited)				
		(£ millions)			
New investment commitments	150 - 200	147[1]	112	146	61

Note:

[1] A further equity commitment of £63 million to the East West Link project was entered into on 3 October 2014. See paragraph 14.1 in Part 14 "Additional Information" for more information.

(ii) Divestments

When considering future potential divestments from the New Book, the sale of investments in any new PPP projects is assumed to fall outside the medium term business planning horizons of the Group because the standard template assumes four years for the construction of each such illustrative project implying a potential disposal timing of four years or more. However, the assumed value growth in the template is comparable with actual realisations from PPP projects divested by the Group after 2007 (at a 2.1x MM).

In relation to renewable energy investments the Group assumes that these will be capable of being divested during its medium term business plan period as these are assumed to have one year construction periods and hence capable of being sold thereafter. In terms of estimating a value from such disposals, the Group uses a standard 1.3x MM as illustrated above, which is comparable with actual realisations from renewable energy projects divested by the Group.

(iii) Transfers from the primary investment portfolio to the secondary investment portfolio

The timing of assumptions for the transfer of new investments within the New Book from the primary investment portfolio to the secondary investment portfolio is driven by the standard template construction periods of four years for a PPP investment and one year for a renewable energy investment.

(iv) Fair value movements

In accordance with the PPP standard template, a typical investment in a new PPP project at financial close is assumed to have an initial value on financial close of 20 per cent. of the Group's investment commitment to reflect the discounted value of future cash flows. Over the next four years (the assumed standard construction period for the underlying project) the value of each such PPP investment is assumed to grow in line with the percentages shown in the template figure above (for example, 10 per cent. during Year 1). This growth reflects the assumed de-risking of projects and corresponding reduction in discount rate and at the completion of construction, results in an assumed value of each New Book PPP investment of 2.1x the investment commitment.

Once a PPP asset transfers to the Group's secondary investment portfolio, fair value movements from the discount rate unwind are assumed to be offset by cash distributions from such asset.

In addition, for each new PPP investment, an approximation is made as to the potential impact of value enhancements. The forecasting methodology for value enhancements is to assume a fair value increase of 2 per cent. of each such new investment's Book Value in each year. This assumption is an approximation that aims to be broadly equivalent to that which John Laing has historically achieved from value enhancements (a 2 per cent. increase in the HTM IRR at financial close as described in paragraph 3 "John Laing's Business Model" in Part 6 "Business Description").

In relation to new renewable energy investments, each such investment is assumed to have an initial value on financial close equal to the cash injection and no premium to this commitment is assumed at financial close. Upon completion of the assumed one year construction period, once the renewable energy project is operational, investments are assumed to have grown in value by 30 per cent. of the original investment commitment. Accordingly, the investments are assumed to be worth 1.3x the original investment commitment after one year (i.e. on completion of construction). Once a renewable energy asset transfers to the Group's secondary investment portfolio, fair value movements from the discount rate unwind are assumed to be offset by cash distributions from the investment.

The same value enhancement approximation applied in valuing PPP investments is also applied in valuing renewable energy investments, i.e. 2 per cent. of each such new investment's Book Value in each year.

3.1.4 Evolution of the investment portfolio valuation during the period under review

During the period under review, the Portfolio Book Value increased from £540.9 million as at 31 December 2011 to £780.5 million as at 30 September 2014. This increase resulted from the interaction of factors described above. The table below shows the evolution of the Group's Portfolio Book Value, including smaller investments not reported in the Portfolio Book Value, during the period under review.

The total investment portfolio value is included within the "investments at fair value through profit or loss" line item in the Group's combined balance sheet and is represented by the aggregate of the amounts shown as 'Project companies' and 'Other investments' less certain small investments in joint venture companies not included in the investment portfolio ("non-portfolio investments") but included in these categories for disclosures purposes (as shown in note 14 of the Combined Historical Financial Information).

	As at 30 September	As at 31 December		
	2014	2013	2012	2011
		(£ millions)		
Opening investment value	**684.8**	**575.9**	**541.3**	**545.4**
Investment in equity and loans	114.8	117.2	119.7	74.6
Distributions / cash yield	(13.1)	(32.0)	(38.0)	(36.2)
Disposal proceeds	(140.5)	(110.1)	(135.0)	(124.9)
Fair value movements	135.1	133.8	87.9	82.4
Closing investment value	**781.1**	**684.8**	**575.9**	**541.3**
Less: Value of non-portfolio investments	(0.6)	(0.4)	(1.2)	(0.4)
Closing Portfolio Book Value	**780.5**	**684.4**	**574.7**	**540.9**

3.2 The terms of the Group's borrowings

The borrowings and indebtedness payable by the Group comprise amounts outstanding under shareholder loans and the corporate banking facility. Prior to the Facilities Agreement being entered into, the Group's corporate banking facility was held by John Laing plc, with, *inter alia*, Barclays Bank PLC and HSBC Bank plc as lenders. Under investment entity accounting, John Laing plc is an entity held at fair value in the Combined Historical Financial Information, as it is part of the corporate structure through which the Group's investment portfolio is held. As a result, outstanding borrowings amounts and associated balances are included within the "investments at fair value through profit or loss" line item on the Group's combined balance sheet, and finance costs incurred on the corporate banking facility are included within the "net gain on investments at fair value through profit or loss" line item in the Group's combined income statement.

For the nine months ended 30 September 2014 and the years ended 31 December 2013, 2012 and 2011, the Combined Historical Financial Information shows finance costs of £51.3 million, £67.8 million, £67.5 million and £67.6 million, respectively, of which £45.2 million, £60.3 million, £60.3 million and £60.3 million, respectively, related to interest accrued, but not paid, on the shareholder loans due to the Selling Shareholder. Following the Reorganisation as described in paragraph 1.11 of Part 14 "Additional Information", the Group will cease to incur these finance costs.

The Group incurs borrowings on the corporate banking facility, in the form of cash drawings or LCs principally to support its new investment commitments. Prior to Admission, the Group incurred such borrowings under its £353.9 million corporate banking facility entered into in February 2013, which was amended in October 2013 and June 2014. Upon (and conditional on) Admission, the Group will enter into a new revolving credit facilities agreement (the "Facilities Agreement") providing for £350 million senior unsecured bank facilities comprising two revolving credit facility tranches (the "Facilities") which will replace the existing corporate banking facility. The maturity date of the Facilities is 9 March 2020. For more information on the terms of the Facilities Agreement, see paragraph 10.7 "Banking facilities" in Part 14 "Additional Information".

For more information on the Group's capitalisation and indebtedness, see Part 10 "Capitalisation and Indebtedness".

3.3 Retirement benefits

The estimated deficit under IAS 19 relating to JLPF was £189.6 million as at 30 September 2014. This is a decrease of £7.2 million on the deficit of £196.8 million as at 31 December 2013. The decrease reflects principally the cash contribution of £26.1 million made by the Group in March 2014 and lower inflation expectations, offset by lower discount rates in line with corporate bond yields. John Laing has been contributing to JLPF in accordance with the terms of a deficit repair programme agreed with the JLPF Trustee as part of the actuarial valuation as at 31 March 2013. The next actuarial valuation of JLPF is due at 31 March 2016. On 4 December 2014, John Laing agreed with the JLPF Trustee to, conditional upon Admission, make an additional contribution of £100 million by way of a transfer of its interests in certain of its investments and proceeds therefrom in order to achieve a substantial reduction in the deficit and reduce future contributions. For more information on the terms of the Group's arrangement with the JLPF Trustee, see paragraph 10.3 "JLPF Arrangement" in Part 14 "Additional Information".

The following table sets out the currently applicable schedule of contributions to JLPF (pre-IPO) alongside those which will be applicable pursuant to the JLPF Arrangement upon and conditional on Admission (post-IPO):

	Pre-IPO	Post-IPO
March 2014	£26.1 million paid	N/A
March 2015	£27.0 million	£27.0 million + £100.0 million asset contribution
March 2016	£28.0 million	£18.0 million
March 2017*	£29.0 million	£19.0 million

* Contributions beyond March 2016 are subject to the actuarial valuation as at 31 March 2016.

For more information on the impact of the contribution agreed with the JLPF Trustee on the Group's net assets, see Part 12 "Unaudited Combined Pro Forma Financial Information".

The amount of the deficit in the JLPF scheme can vary significantly due to gains or losses on scheme investments, and movements in the assumptions used to value scheme liabilities (in particular life expectancy, discount rate and inflation rate). Consequently, the Group is exposed to the risk of increases in cash contributions payable and volatility in the deficit reported in the Group's combined balance sheet and the movements reported in the Group's combined income statement and statement of comprehensive income.

3.4 Timing and value of bid cost recoveries and other Project Company derived income

Bid costs are incurred by directly-owned Group subsidiaries that provide investment-related services and are therefore consolidated and included in administrative expenses in the Group's combined income statement until such time as the Group is virtually certain that it will recover the costs from the relevant Project Company (for example, at financial close for a PPP project). From the point of virtual certainty, bid costs are held in the Group's combined balance sheet as a receivable prior to achieving financial close. On financial close, the Group recovers bid costs relating to the project in question (and in most cases, an additional over-recovery) by charging a fee to the relevant Project Company. As bid costs on projects are recognised as incurred, the costs and associated revenues are not necessarily recorded in the same period. During the period under review, recoveries on financial close earned by consolidated Group subsidiaries and included in other income in the combined income statement were especially high for the year ended 31 December 2012 compared to other periods in the period under review, due primarily to a significant recovery on the IEP (Phase 1) project where bid costs had been incurred over several years.

In addition to the bid costs recoveries, the Group typically seeks an investment fee from Project Companies to compensate John Laing for the period during which it is required to provide LCs (drawn under the Group's banking facilities) and/or in respect of cash collateral, both of which are posted as security for John Laing's future equity subscription obligations. These fees are typically earned by companies making and providing the collateral for the investment commitment with such companies being investment entity subsidiaries that are fair valued in the Group combined accounts. Consequently, these fees are included within the line item "net gain on investments at fair value through profit or loss" in the Group's combined income statement.

3.5 Disposals

As discussed in paragraph 2.7 "Disposals" above, proceeds from the disposal of the Group's interests in Project Companies help fund its new primary investment activity.

Between 1 January 2007 and 30 September 2014, the Group made 59 divestments from its investment portfolio, predominantly of investments from within its secondary investment portfolio. Of these 59 divestments, 21 have been of investments made during the same period (the balance being investments made prior to 2007) and 44 have been divested to JLIF and JLEN. In addition, on 31 March 2014, the Group sold its remaining shareholding in JLIF for £38.9 million, net of costs.

The table below shows the Group's realised proceeds from the disposal of investments, net of costs, as well as the proportion of such disposals which were acquired by JLIF or JLEN for the period under review.

	Nine months ended 30 September	Year ended 31 December		
	2014	2013	2012	2011
	(£ millions, unless otherwise indicated)			
PPP disposals by John Laing	**47**	**111**	**137**	**132**
Acquired by JLIF	4	88	92	100
Acquired by JLIF (as a %)	9%	80%	67%	76%
Acquired by JLEN	43	—	—	—
Acquired by JLEN (as a %)	91%	—	—	—
Renewable energy disposals by John Laing	**55**	**—**	**—**	**—**
Acquired by JLEN	55	—	—	—
Acquired by JLEN (as a %)	100%	—	—	—

For disposals completed since 30 September 2014, see paragraph 4 "Current Trading and Prospects" below.

Other disposals

Gains (or losses) relating to disposals of the Group's interests in Project Companies are recognised in the "investments at fair value through profit or loss" line item on the Group's combined balance sheet. Other disposals, including those referred to below, are recognised in "Other gains and losses" in the Group's combined income statement.

On 18 October 2013, the Group sold its wholly-owned facilities management business, JLIS, to Carillion plc. The results of JLIS were included in the results for the Group for the years ended 31 December 2011, 2012 and 2013 (up to the date of the disposal). In the year ended 31 December 2013, JLIS reported £48.2 million of operating income and £3.2 million of profit before tax (£63.4 million and £14.3 million for the year ended 31 December 2012; £49.8 million and £2.1 million for the year ended 31 December 2011).

The Group recognised a net profit on the disposals of JLIS and Woodcroft, its captive insurance business, of £21.2 million in its profit before tax for the year ended 31 December 2013, which was not preceded by disposals of similar magnitude in the prior years under review.

3.6 Asset management income

In addition to fee income earned from JLIF and JLEN in relation to the Group's external asset management activities as described in paragraph 2.6 above, the Group earns fees from Project Companies in relation to the project management services it provides under MSAs. For more information on the Group's MSAs, see paragraph 7.2 "Project management services" in Part 6 "Business Description".

For the nine months ended 30 September 2014, the Group received £10.4 million in income related to project management services. For the year ended 31 December 2013, the Group received £15.5 million in such income, compared to £18.2 million and £16.6 million for the years ended 31 December 2012 and 2011.

4. Current trading and prospects

Since 30 September 2014, the Group has disposed of all of its interest in five projects and part of its interest in one project to a number of third party infrastructure investors, including JLIF, for a total cash impact of £71.2 million. Each of these disposals was achieved at or above the Book Value (as at

30 September 2014) of the respective project disposed. During that same period, the Group has made aggregate net investment commitments of £70.6 million in the form of an investment commitment in one new project and additional commitments to four existing projects. The new project is described in more detail in paragraph 9 "Recent Portfolio Developments" of Part 6 "Business Description". The Directors believe the Group's Adjusted NAV as at 31 December 2014 has increased since 30 September 2014. In addition, the Directors believe JLCM's External AUM have increased in line with continued portfolio acquisitions by JLIF, which the Group expects will contribute to increased asset management fees.

The Group continues to see attractive investment opportunities in its pipeline in both PPP and renewable energy and is budgeting to make investment commitments in aggregate of between £150 million and £200 million in 2015. The Group expects to report its results for the year ended 31 December 2014 in March 2015.

5. Description of key line items in the Combined Group Income Statement in the Combined Historical Financial Information

As described in Part 2 "Presentation of Financial and Other Information", the Group accounts for all investments, including subsidiaries, associates and joint ventures, at fair value through profit or loss, except for those subsidiaries that provide services that relate to the investment entity's investment activities. Accordingly, even those Project Companies which are controlled by the Group are not consolidated in the Combined Historical Financial Information; instead, the results of operation and financial position of the Project Companies are reflected, *inter alia*, in the fair value of the Group's investment portfolio and are not otherwise recognised in the Group's combined income statement or balance sheet.

5.1 Dividend income

Dividend income comprises dividends received by, Henderson Infrastructure Holdco Limited ("HIHL"), from its shareholding in John Laing plc. Going forward, any dividends declared by the Group will be funded by, *inter alia*, dividends and distributions paid by John Laing Limited (formerly known as John Laing plc) to HIHL and then to John Laing Group plc.

5.2 Net gains on investments at fair value through profit or loss

Net gains on investments at fair value through profit or loss represents the movement in fair value of the Group's investment in John Laing plc after taking account of dividend income received by the Group from John Laing plc. The fair value movement comprises the following:

- Movement in the fair value of John Laing plc's investments in Project Companies and listed funds (taken together, these form the investment portfolio): Any gain (or loss) on investments is a result of movements in the valuation for each investment from one period to another after taking account of cash flows in the period. Key drivers of fair value movements are described in paragraph 2.2 above.
- Investment fees earned from Project Companies: Investment fees from projects reflect fees recovered from PPP Project Companies in return for the Group entering into LCs or posting cash collateral from financial close until the injection of cash subscriptions which is generally towards or at the end of construction. The Project Company pays the fee (which is a contractual payment) during the period in which the LC or cash collateral is outstanding.
- Finance costs incurred by John Laing plc on its corporate banking facility: These finance costs principally relate to charges on LCs issued, interest charges on cash drawings and commitment fees on undrawn facilities and the amortisation of upfront debt issue costs.
- Other gains/losses including corporation tax credits of subsidiaries held at fair value through profit or loss, primarily in the form of Group and Consortium relief received from Project Companies, and fair value gains or losses on foreign exchange derivative instruments.

5.3 Other income

Other income comprises recoveries on financial close, other fees and charges from Project Companies, revenue from the Group's investment management services business and revenue from the Group's project management services business, principally under MSAs, and, prior to 18 October 2013, revenue from the Group's facilities management business, JLIS.

Recoveries on financial close refer to income received on successful bids from Project Companies on financial close. These typically include an over-recovery versus costs incurred on a particular bid. Recoveries on financial close are driven by:

- the timing of bid costs, as bid costs on projects are recognised as incurred and therefore the cost and associated revenues are not necessarily recorded in the same period; and
- the quantum of bid cost recoveries.

Revenue from the Group's investment management services primarily reflects management fees received from JLIF and JLEN under the Investment Adviser Agreements and is based on a percentage of these funds' "adjusted portfolio values" which approximates to the value of their investment portfolios. For more information on the fee structure, see paragraph 7.1 "Investment management services" in Part 6 "Business Overview".

Revenue from investment management services also includes some fees for the provision of directors to the boards of Project Companies.

Revenue from the Group's project management services comprises fees received pursuant to MSAs with specific Project Companies. As at 30 September 2014, the Group provided project management services to 71 projects, both projects in which it held an investment and projects in which third parties held an investment. Project management services revenue also includes non-contractual income earned from Project Companies and occasional development management fees from property-related projects.

5.4 Cost of sales

Up to the point of sale of JLIS on 18 October 2013, the Group's cost of sales primarily comprised the direct costs of the facilities management business. Following the sale of the facilities management business, the Group does not report significant levels of cost of sales.

5.5 Administrative expenses

Administrative expenses comprise third party costs, primarily in relation to bidding, staff costs and overhead costs together with service costs in relation to post-retirement obligations.

Third party bid costs vary according to the quantum and stage of on-going bids. In addition, a project achieving financial close in a particular financial year may have incurred third party bid costs in earlier years. Third party bid costs are generally incurred over a period of time, potentially several years in case of larger projects, hence the level of bid costs incurred in any given year is not necessarily reflective of the level of investment committed in that year. It represents the variable costs incurred on specific bids, typically associated with external advisers, and typically concentrated towards the later stages of a bid. Third party bid costs are charged to the Group's combined income statement until such time as the Group is virtually certain that it will recover the costs.

Staff costs mainly reflect salaries, pension costs and allowances, social security costs and bonus and long term incentive plan awards.

Overhead costs comprise accommodation costs, IT costs, depreciation and other general overheads.

5.6 Other gains and losses

Other gains and losses comprise net profit on the disposal of JLIS on 18 October 2013 and Woodcroft on 28 August 2013. Both entities were consolidated in the Combined Historical Financial Information prior to their disposal.

5.7 Finance costs

Finance costs comprise finance charges in relation to the shareholder loans from the Selling Shareholder to HIHL as well as interest costs in relation to the post-retirement obligation under IAS 19 accounting and discount unwinding of provisions.

The Group's corporate banking facility was held by John Laing plc during the period under review and therefore, since John Laing plc was an entity held at fair value, the associated finance costs are included within the line item "net gains on investments at fair value through profit or loss" (see paragraph 5.2 above). Going forward, finance costs incurred on borrowings under the Facilities Agreement, which will replace the corporate banking facility (upon and conditional on Admission), will be reflected on the Group's combined income statement.

Following Admission, there will be no interest costs in relation to the shareholder loans from the Selling Shareholder to HIHL as this loan will be addressed as described in paragraph 10.8 "Reorganisation Agreement" in Part 14 "Additional Information".

5.8 Tax

The Group does not report significant taxation charges or credits as it has historically used retained tax losses to reduce taxable profits in the periods under review. As stated in the Combined Historical Financial Information, as at 31 December 2013, the Group had retained tax losses of £91.3 million which can be applied to future profits. These tax losses represent the tax losses in HIHL. There are additional tax losses in John Laing plc and its wholly owned subsidiary John Laing Investments Limited, which are both entities held at fair value in the Combined Historical Financial Information.

For more information on the availability of such carried forward tax losses, see paragraph 1.15 in Part 1 "Risk Factors".

Historically, John Laing has received payments for tax losses it surrenders to Project Companies. It would expect to do so in the future whilst tax losses continue to be available to surrender. Corporation taxes that are payable at the Project Company level are reflected in the Portfolio Book Value.

5.9 Loss/profit from discontinued operations

Loss/profit from discontinued operations relates to legacy property and construction businesses that are classified as discontinued and which have been sold. The results from discontinued operations include movements in provisions for potential liabilities at the time of the sale of the legacy businesses, including discount unwind of these provisions.

6. Results of operations

6.1 Comparison of results of operations for the nine months ended 30 September 2014 and 2013

	Nine months ended 30 September	
	2014	**2013**
		(unaudited)
	(£ millions)	
Continuing operations		
Dividend income	0.2	0.2
Net gain on investments at fair value through profit or loss	137.4	76.1
Other income	28.9	73.1
Operating income	**166.5**	**149.4**
Cost of sales	(0.3)	(35.6)
Gross profit	**166.2**	**113.8**
Administrative expenses	(45.6)	(47.2)
Other gains and losses	—	—
Profit from operations	**120.6**	**66.6**
Finance costs	(51.3)	(50.8)
Profit/(loss) before tax	**69.3**	**15.8**
Tax credit/(charge)	—	(0.1)
Profit/(loss) from continuing operations	69.3	15.7
Discontinued operations		
Loss from discontinued operations (after tax)	(0.2)	(1.9)
Profit/(loss) for the period attributable to the owner of the Company	**69.1**	**13.8**

6.1.1 Net gain on investments at fair value through profit or loss

The Group's net gain on investments for the nine months ended 30 September 2014 was £137.4 million, as compared to £76.1 million for the nine months ended 30 September 2013, representing an increase of £61.3 million. This increase was principally attributable to a significant uplift in the value of investments on financial close of new projects, including the IEP (Phase 2) project as well as value enhancements of existing projects including the A1 Gdansk Poland (Phases 1 and 2) projects. See paragraph 3.1 of this Part 9.

6.1.2 Other income

The Group's other income for the nine months ended 30 September 2014 was £28.9 million, as compared to £73.1 million for the nine months ended 30 September 2013, representing a decrease of £44.2 million. This decrease was attributable to the October 2013 sale of JLIS, the Group's facilities management business, which made a significant contribution to other income for the nine months ended 30 September 2013.

6.1.3 Operating income

As a result of the foregoing, the Group's operating income increased by £17.1 million, or 11.4 per cent, to £166.5 million for the nine months ended 30 September 2014 from £149.4 million for the nine months ended 30 September 2013.

6.1.4 Cost of sales

The Group's cost of sales for the nine months ended 30 September 2014 was £0.3 million, as compared to £35.6 million for the nine months ended 30 September 2013, representing a decrease of £35.3 million. This decrease was attributable to the sale of JLIS which made up the majority of the costs of sales for the nine months ended 30 September 2013.

6.1.5 Gross profit

As a result of the foregoing, the Group's gross profit increased by £52.4 million, or 46.0 per cent, to £166.2 million for the nine months ended 30 September 2014 from £113.8 million for the nine months ended 30 September 2013.

6.1.6 Administrative expenses

The Group's administrative expenses for the nine months ended 30 September 2014 were £45.6 million, as compared to £47.2 million for the nine months ended 30 September 2013, representing a £1.6 million, or 3.4 per cent, decrease. This decrease was primarily attributable to the sale of JLIS on 18 October 2013 as JLIS had incurred £5.0 million of administrative expenses in the nine months ended 30 September 2013.

6.1.7 Finance costs

The Group's finance costs for the nine months ended 30 September 2014 were £51.3 million, as compared to £50.8 million for the nine months ended 30 September 2013, representing a £0.5 million increase. This increase was attributable to a higher interest charge in relation to post-retirement obligations under IAS 19. The finance costs attributable to the shareholder loans described in paragraph 10.8 of Part 14 "Additional Information" were £45.2 million in the nine months ended 30 September 2014 and £45.2 million in the nine months ended 30 September 2013.

6.1.8 Profit before tax

As a result of the foregoing, the Group's profit before tax increased by £53.5 million to £69.3 million for the nine months ended 30 September 2014 from £15.8 million for the nine months ended 30 September 2013.

6.1.9 Tax

The Group's tax credit for the nine months ended 30 September 2014 was nil as compared to a tax charge of £0.1 million for the nine months ended 30 September 2013.

6.1.10 Loss from discontinued operations (after tax)

The Group's losses from its discontinued operations for the nine months ended 30 September 2014 were £0.2 million, as compared to £1.9 million for the nine months ended 30 September 2013, representing a £1.7 million decrease. This decrease was primarily attributable to a £1.0 million increase in provision in the nine months ended 30 September 2013 in relation to the legacy construction business together with a decrease of £1.0 million in a similar provision in the nine months ended 30 September 2014.

6.1.11 Profit for the period

As a result of the foregoing, the Group's profit for the period increased by £55.3 million to £69.1 million for the nine months ended 30 September 2014 from £13.8 million for the nine months ended 30 September 2013.

6.2 Comparison of results of operations for the years ended 31 December 2013 and 31 December 2012

	Year ended 31 December	
	2013	**2012**
	(£ millions)	
Continuing operations		
Dividend income	0.3	0.3
Net gain on investments at fair value through profit or loss	136.8	91.1
Other income	85.2	113.3
Operating income	**222.3**	**204.7**
Cost of sales	(37.9)	(44.8)
Gross profit	**184.4**	**159.9**
Administrative expenses	(63.8)	(68.1)
Other gains and losses	21.2	—
Profit from operations	**141.8**	**91.8**
Finance costs	(67.8)	(67.5)
Profit/(loss) before tax	**74.0**	**24.3**
Tax credit/(charge)	(2.3)	0.1
Profit/(loss) from continuing operations	**71.7**	**24.4**
Discontinued operations		
Loss from discontinued operations (after tax)	(1.3)	(2.1)
Profit/(loss) for the period attributable to the owner of the Company	**70.4**	**22.3**

6.2.1 Net gain on investments at fair value through profit or loss

The Group's net gain on investments for the year ended 31 December 2013 was £136.8 million, as compared to £91.1 million for the year ended 31 December 2012, representing an increase of £45.7 million, or 50.2 per cent. This increase was primarily attributable to greater value enhancements in the year across a number of projects. See paragraph 3.1 of this Part 9.

6.2.2 Other income

The Group's other income for the year ended 31 December 2013 was £85.2 million, as compared to £113.3 million for the year ended 31 December 2012, representing a £28.1 million, or 24.8 per cent, decrease. The other income includes revenue from the facilities management business and for 2013, this comprised only the period to 18 October 2013 (at which time JLIS was sold) whereas for 2012, the revenue was earned for the whole year. The decrease also reflected lower recoveries on financial close and lower revenue from development management fees in 2013 as compared to 2012. Recoveries on financial close in 2013 amounted to £9.7 million, as compared to £22.3 million in 2012, which included a significant recovery relating to the IEP (Phase 1) project.

6.2.3 Operating income

As a result of the foregoing, the Group's operating income increased by £17.6 million, or 8.6 per cent., to £222.3 million for the year ended 31 December 2013 from £204.7 million for the year ended 31 December 2012.

6.2.4 Cost of sales

The Group's cost of sales for the year ended 31 December 2013 was £37.9 million, as compared to £44.8 million for the year ended 31 December 2012, representing a £6.9 million decrease. The significant majority of cost of sales is that of the facilities management business and for 2013, this comprised only the period to 18 October 2013 (at which time JLIS was sold) whereas for 2012, costs of sales covered the whole year.

6.2.5 Gross profit

As a result of the foregoing, the Group's gross profit increased by £24.5 million, or 15.3 per cent., to £184.4 million for the year ended 31 December 2013 from £159.9 million for the year ended 31 December 2012.

6.2.6 Administrative expenses

The Group's administrative expenses for the year ended 31 December 2013 were £63.8 million, as compared to £68.1 million for the year ended 31 December 2012, representing a £4.3 million, or 6.3 per cent, decrease. This decrease was mainly attributable to reduced staff costs together with lower overheads relating to JLIS which was sold on 18 October 2013.

6.2.7 Other gains and losses

The Group's other gains for the year ended 31 December 2013 were £21.2 million, as compared to nil for the year ended 31 December 2012. Other gains of £21.2 million for the year ended 31 December 2013 comprised net profit on disposals from the Group's disposal of JLIS on 18 October 2013 and Woodcroft on 28 August 2013.

6.2.8 Finance costs

The Group's finance costs for the year ended 31 December 2013 were £67.8 million, as compared to £67.5 million for the year ended 31 December 2012, representing a £0.3 million, or 0.4 per cent, increase. This increase was primarily attributable to a higher interest charge in relation to post-retirement obligations under IAS 19. The finance costs attributable to the shareholder loans described in paragraph 10.8 of Part 14 "Additional Information" were £60.3 million for the year ended 31 December 2013 and £60.3 million for the year ended 31 December 2012.

6.2.9 Profit before tax

As a result of the foregoing, the Group's profit before tax increased by £49.7 million to £74.0 million for the year ended 31 December 2013 from £24.3 million for the year ended 31 December 2012.

6.2.10 Tax

The Group's tax charge for the year ended 31 December 2013 was £2.3 million compared to a tax credit of £0.1 million for the year ended 31 December 2012, primarily as a result of the tax charge for the year ended 31 December 2013 including the tax charge on the results of JLIS for the period up to the date of its disposal. In the prior year, the tax charge in JLIS was subject to Group relief from tax losses.

6.2.11 Loss from discontinued operations (after tax)

The Group's losses from its discontinued operations for the year ended 31 December 2013 were £1.3 million, as compared to £2.1 million for the year ended 31 December 2012, representing a decrease of £0.8 million. This decrease was primarily attributable to a £2.7 million increase in provisions in relation to the legacy construction business in the year ended 31 December 2012 compared to only a £1.0 million increase in the year ended 31 December 2013, offset by income of £1.8 million from discontinued operations in the year ended 31 December 2012 compared to income of £0.5 million in the year ended 31 December 2013.

6.2.12 Profit for the period

As a result of the foregoing, the Group's profit for the period increased by £48.1 million to £70.4 million for the year ended 31 December 2013 from £22.3 million for the year ended 31 December 2012.

6.3 Comparison of results of operations for the years ended 31 December 2012 and 31 December 2011

	Year ended 31 December	
	2012	**2011**
	(£ millions)	
Continuing operations		
Dividend income	0.3	0.3
Net gain on investments at fair value through profit or loss	91.1	67.0
Other income	113.3	76.2
Operating income	**204.7**	**143.5**
Cost of sales	(44.8)	(43.0)
Gross profit	**159.9**	**100.5**
Administrative expenses	(68.1)	(58.3)
Other gains and losses	—	—
Profit from operations	**91.8**	**42.2**
Finance costs	(67.5)	(67.6)
Profit/(loss) before tax	**24.3**	**(25.4)**
Tax credit/(charge)	0.1	1.0
Profit/(loss) from continuing operations	24.4	(24.4)
Discontinued operations		
(Loss)/profit from discontinued operations (after tax)	(2.1)	0.4
Profit/(loss) for the period attributable to the owner of the Company	22.3	(24.0)

6.3.1 Net gain on investments at fair value through profit or loss

The Group's net gain on investments for the year ended 31 December 2012 was £91.1 million, as compared to £67.0 million for the year ended 31 December 2011, representing a £24.1 million, or 36 per cent, increase. This increase was principally attributable to higher value enhancements including a significant uplift in value on financial close of the IEP (Phase 1) project in 2012 partially offset by a write-down in the investment in the A1 Germany road project. See paragraph 3.1 of this Part 9.

6.3.2 Other income

The Group's other income for the year ended 31 December 2012 was £113.3 million, as compared to £76.2 million for the year ended 31 December 2011, representing an increase of £37.1 million, or 48.7 per cent. This increase was attributable primarily to greater recoveries at financial close for the year ended 31 December 2012. This increase was driven by a significant recovery on the IEP (Phase 1) project (on which bid costs had been incurred over several years). There was also an increase in revenue from JLIS primarily from new business. In addition, the increase in other income was also attributable to an increase in revenue from project management services for the same period, mostly due to higher development management fees from property-related projects.

6.3.3 Operating income

As a result of the foregoing, the Group's operating income increased by £61.2 million, or 42.6 per cent., to £204.7 million for the year ended 31 December 2012 from £143.5 million for the year ended 31 December 2011.

6.3.4 Cost of sales

The Group's cost of sales for the year ended 31 December 2012 was £44.8 million, as compared to £43.0 million for the year ended 31 December 2011, representing a £1.8 million increase. This increase was primarily attributable to higher cost of sales in JLIS for the year ended 31 December 2012 due to new business.

6.3.5 Gross profit

As a result of the foregoing, the Group's gross profit increased by £59.4 million, or 59.1 per cent., to £159.9 million for the year ended 31 December 2012 from £100.5 million for the year ended 31 December 2011.

6.3.6 Administrative expenses

The Group's administrative expenses for the year ended 31 December 2012 were £68.1 million, as compared to £58.3 million for the year ended 31 December 2011, representing an increase of £9.8 million, or 16.8 per cent. This increase was partly attributable to higher bidding costs as a result of increased bidding activities, principally in Australia, as well as higher costs associated with reaching financial close on the IEP (Phase 1) project, and higher accommodation costs as the Group incurred rent for two office premises for a period of nine months following the move in 2012 to new head office premises in Kingsway, London.

6.3.7 Finance costs

The Group's finance costs for the year ended 31 December 2012 were £67.5 million, as compared to £67.6 million for the year ended 31 December 2011, representing a £0.1 million decrease. The finance costs attributable to the shareholder loans described in paragraph 10.8 of Part 14 "Additional Information" were £60.3 million for the year ended 31 December 2012 and £60.3 million for the year ended 31 December 2011.

6.3.8 Profit/(loss) before tax

As a result of the foregoing, the Group's profit before tax increased by £49.7 million to £24.3 million profit for the year ended 31 December 2012 from a loss of £25.4 million for the year ended 31 December 2011.

6.3.9 Tax

The Group's tax credit for the year ended 31 December 2012 was £0.1 million compared to a tax credit of £1 million for the year ended 31 December 2011, primarily attributable to an increase in deferred tax assets in the year ended 31 December 2011.

6.3.10 Loss/profit from discontinued operations (after tax)

The Group's loss from its discontinued operations for the year ended 31 December 2012 was £2.1 million, as compared to a £0.4 million gain for the year ended 31 December 2011. The loss in 2012 was primarily attributable to an increase in a provision in relation to a legacy construction contract.

6.3.11 Profit/(loss) for the period

As a result of the foregoing, the Group's profit for the period increased by £46.3 million to £22.3 million for the year ended 31 December 2012 from a loss of £24.0 million for the year ended 31 December 2011.

6.4 Operating segments

The principal categories of the Group's activity, and thus the reportable segments under IFRS 8, are: (i) primary investment, (ii) secondary investment and (iii) asset management.

The results included within each of the reportable segments comprise:

- *Primary investment*—costs and cost recoveries associated with sourcing and originating, bidding for and winning greenfield infrastructure and renewable energy projects; investment returns from and growth in the value of the primary investment portfolio, net of associated costs.
- *Secondary investment*—investment returns from and growth in the value of the secondary investment portfolio, net of associated costs.
- *Asset management*—fee income and associated costs from investment management services in respect of both the primary and secondary investment portfolios and in respect of JLIF's and JLEN's portfolios; fee income and associated costs from project management services, including development management fees, and, up to 18 October 2013, fee income and associated costs from JLIS.

6.4.1 Adjusted profit before tax by segment

The Board's primary measure of profitability for each segment is adjusted profit before tax. The table below is a breakdown of the Group's adjusted profit before tax by segment for the nine months ended 30 September 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011 (as set out in note 5 to Part 11 "Combined Historical Financial Information) alongside a reconciliation to the Group's profit/(loss) before tax in the Group's combined income statement.

	Adjusted profit/(loss) before tax				
	Nine months ended 30 September 2014	**Nine months ended 30 September 2013**	**Year ended 31 December 2013**	**Year ended 31 December 2012**	**Year ended 31 December 2011**
	£ million	**£ million (unaudited)**	**£ million**	**£ million**	**£ million**
Primary investment	88.0	9.8	20.9	43.2	9.7
Secondary investment	27.0	42.0	80.8	23.2	23.2
Asset management					
JLIS	—	5.8	3.2	14.3	2.1
Other	8.2	8.2	8.8	11.0	3.6
	8.2	14.0	12.0	25.3	5.7
Reportable segments' adjusted profit before tax	123.2	65.8	113.7	91.7	38.6
Profit on disposal of JLIS and Woodcroft	—	—	21.2	—	—
Post retirement charges	(7.5)	(6.6)	(8.8)	(8.0)	(8.7)
Costs relating to discontinued operations and other	(2.8)	(2.4)	(1.2)	(2.6)	0.6
Interest charge on shareholder loans	(45.1)	(45.1)	(60.3)	(60.3)	(60.3)
Other	1.3	2.2	8.2	1.8	4.9
Profit/(loss) before tax	69.1	13.9	72.8	22.6	(24.9)
Being:					
Profit/(loss) before tax from continuing operations	69.3	15.8	74.0	24.3	(25.4)
(Loss)/profit before tax from discontinued operations	(0.2)	(1.9)	(1.2)	(1.7)	0.5
Profit/(loss) before tax	69.1	13.9	72.8	22.6	(24.9)

Primary investment

The Group's adjusted profit before tax for the primary investment segment for the nine months ended 30 September 2014 was £88.0 million, as compared to £9.8 million for the nine months ended 30 September 2013, representing an increase of £78.2 million. This increase was primarily attributable to higher value enhancements of investments in the primary investment portfolio together with a value uplift on the financial close of the IEP (Phase 2) project.

The Group's adjusted profit before tax for the primary investment segment for the year ended 31 December 2013 was £20.9 million, as compared to £43.2 million for the year ended 31 December 2012, representing a decrease of £22.3 million or 51.6 per cent. This decrease was primarily attributable to higher amounts of recoveries on financial close in the year ended 31 December 2012 principally from the financial close of the IEP (Phase 1) project.

The Group's adjusted profit before tax for the primary investment segment for the year ended 31 December 2012 was £43.2 million, as compared to £9.7 million for the year ended 31 December 2011, representing an increase of £33.5 million. This increase was primarily attributable to higher value enhancements on the primary investment portfolio in the year ended 31 December 2012 together with higher amounts of recoveries on financial close, principally from the financial close of the IEP (Phase 1) project.

Secondary investment

The Group's adjusted profit before tax for the secondary investment segment for the nine months ended 30 September 2014 was £27.0 million, as compared to £42.0 million for the nine months ended 30 September 2013, representing a decrease of £15 million or 35.7 per cent. This decrease was primarily attributable to lower fair value movements on the secondary investment portfolio in the nine months ended 30 September 2014, compared to the corresponding period in 2013, primarily as a result of the amendments made to the valuation methodology from December 2013, treated as a change in estimate, which resulted in lower discount rates for certain operational assets and thus lower discount unwind value gains in future periods than in prior periods.

The Group's adjusted profit before tax for the secondary investment segment for the year ended 31 December 2013 was £80.8 million, as compared to £23.2 million for the year ended 31 December 2012, representing an increase of £57.6 million. This increase was primarily attributable to higher fair value gains on the secondary investment portfolio in the year ended 31 December 2013, partly as a result of the amendments made to the valuation methodology from December 2013, treated as a change in estimate, which resulted in lower discount rates for certain operational assets and thus an uplift in fair values, and partly from value enhancement achieved in 2013.

The Group's adjusted profit before tax for the secondary investment segment remained constant for the years ended 31 December 2012 and 2011 at £23.2 million with similar levels of fair value movement on the secondary investment portfolio in the two years.

Asset management

The Group's adjusted profit before tax for the asset management segment for the nine months ended 30 September 2014 was £8.2 million, as compared to £14.0 million for the nine months ended 30 September 2013, representing a decrease of £5.8 million, or 41.4 per cent. This decrease was primarily attributable to the sale of JLIS, the Group's facilities management business, on 18 October 2013 since JLIS contributed adjusted profit before tax of £5.8 million in the nine months ended 30 September 2013.

The Group's adjusted profit before tax for the asset management segment for the year ended 31 December 2013 was £12 million, as compared to £25.3 million for the year ended 31 December 2012, representing a decrease of £13.3 million, or 52.6 per cent. This decrease was primarily attributable to the sale of JLIS on 18 October 2013, since in the year ended 31 December 2013, JLIS contributed adjusted profit before tax of £3.2 million until its disposal compared to profit before tax of £14.3 million in the year ended 31 December 2012. In addition, development management fees relating to a small number of property-related projects in the year ended 31 December 2012 were £2.5 million higher than those in the year ended 31 December 2013, offset by increases in revenue from investment management services primarily from growth in External AUM.

The Group's adjusted profit before tax for the asset management segment for the year ended 31 December 2012 was £25.3 million, as compared to £5.7 million for the year ended 31 December 2011, representing an increase of £19.6 million. This increase was primarily attributable to increased profit from the facilities management business in the year ended 31 December 2012 (£14.3 million compared to £2.1 million in the year ended 31 December 2011) as well as higher development management fees in 2012 and higher investment management services income from growth in External AUM.

6.4.2 Assets by segment

The Group provides segmental reporting of its investment portfolio including investments in project companies and investments in listed funds. These investments are held at fair value along with other assets and liabilities and reported as investments at fair value through profit or loss on the Group's combined balance sheet.

	30 September 2014	31 December 2013	31 December 2012	31 December 2011
	£ million	£ million	£ million	£ million
Segment assets				
Primary investment	373.2	300.7	219.1	169.5
Secondary investment	407.3	383.7	355.6	371.4
Total investment portfolio	780.5	684.4	574.7	540.9
Other	61.7	60.6	60.8	40.9
Total investments in project companies and listed funds at fair value through profit or loss	842.2	745.0	635.5	581.8
Other assets	15.3	18.6	39.3	31.9
Total assets	857.5	763.6	674.8	613.7
Retirement benefit obligations	(197.4)	(204.4)	(189.8)	(161.0)
Shareholder loan	(967.7)	(922.6)	(862.3)	(801.9)
Other liabilities	(30.3)	(31.1)	(56.5)	(61.5)
Total liabilities	**(1,195.4)**	**(1,158.1)**	**(1,108.6)**	**(1,024.4)**

The Group's investment portfolio is made up of primary and secondary investments. The Group classifies its interests in PPP and renewable energy projects which have reached "financial close" (when a contractual commitment, including financing, is made to a project), but which is not yet operational, as its "primary investment portfolio". The Group classifies its investments in operational projects as its "secondary investment portfolio". Almost all of John Laing's secondary investments were previously part of its primary investment portfolio.

Other items included in investments at fair value through profit or loss comprise:

- investments in small joint venture companies that are not included in the investment portfolio. These investments are measured at the net asset value of each company; and
- the fair value of the remaining assets of the investment entity subsidiaries of HIHL, other than the investments in project companies and listed funds disclosed separately, less the fair value of the liabilities in those subsidiaries which are included in the line item "investments at fair value through profit or loss" on the Group's combined balance sheet—these assets include cash balances, trade receivables and unamortised finance costs whilst the liabilities include any loan balances that existed at period ends and trade payables.

The Group's other assets comprise assets of the Company, HIHL and the consolidated Group subsidiaries which comprise cash balances, trade and other receivables and long term assets including tangible assets. These assets are not analysed by segment.

The Group's retirement benefit obligations comprise the deficits under IAS 19 of the Group's pension scheme and post-retirement medical benefit schemes.

The Group's shareholder loans comprise the loans from Henderson Infrastructure Holdco (Jersey) Limited to HIHL. For further details, see note 17 of the Combined Historical Financial Information in Part 11. As outlined in paragraph 10.8 "Reorganisation Agreement" in Part 14 "Additional Information", the Group will no longer have these shareholder loans following Admission.

The Group's other liabilities comprise the other liabilities of the Company, HIHL and the consolidated subsidiaries (other than those of the Group's subsidiaries which are held at fair value) and include trade and other payables.

7. Liquidity and capital resources

In this section the capital resources, cash balances and cash flows of subsidiaries held at fair value through profit or loss are described and included along with consolidated subsidiaries of the Group.

7.1 Sources and uses of liquidity

The Group's liquidity requirements arise primarily from bid expenses, administrative expenses, interest expenses and amounts required to fund its investment commitments. The Group's principal sources of liquidity during the period covered by the Historical Financial Information have been borrowings under its corporate banking facility, dividends and other distributions from Project Companies (including recovery at financial close) and proceeds from the disposal of its interests in Project Companies. Following Admission, the Group's capital resources to meet its ongoing liquidity needs will include the net proceeds receivable by the Company of the Offer of approximately £120 million, undrawn amounts under its £350 million Facilities Agreement, and the Group's existing cash resources (which, as at 31 December 2014 (being the latest practicable date prior to the publication of this Prospectus) were £18.2 million), together with anticipated future proceeds from the disposal of interests in Project Companies and any dividends and other distributions from Project Companies (including bid cost recovery).

For PPP investments, at the point of financial close, John Laing typically posts collateral for its future equity commitments in the form of a LC issued under its corporate banking facilities or in the form of cash collateral. Cash is typically injected into a Project Company once construction of the project is complete. Renewable energy investments are typically cash funded at financial close. Where the Group decides to use cash collateral to secure an investment commitment (in lieu of issuing a LC), the associated cash balance is included within total investments on the combined balance sheet. This, together with relatively low working capital balances, means that the Group's operational net debt / cash balance remains relatively small. The decision to use cash collateral in lieu of issuing LCs is made by the Group on a project-by-project basis depending on the level of cash in the business at a given point in time and project specific requirements.

7.2 Cash flow

A further consequence of investment entity accounting in the Combined Historical Financial Information is that cash balances and cash flows of subsidiaries held at fair value through profit or loss, including John Laing plc, are not included in the Group's combined balance sheet and cash flow statement, respectively. The cash balances and cash flows of investments held at fair value through profit or loss are further detailed in note 14 to Part 11 "Combined Historical Financial Information".

The Group's combined cash flow statement and liabilities on the Group balance sheet relate to the Company, HIHL and the Group's consolidated subsidiaries which principally include the subsidiaries that perform investment related services. These cash flows are discussed in paragraph 7.2.1 below.

The Group's investment activity is performed by subsidiaries of HIHL that are fair valued in the Combined Historical Financial Information. Cash balances, net of short term cash borrowings, relating to HIHL's investment entity subsidiaries are captured within the line item "Investments at fair value through profit or loss" which appears in the Group's combined balance sheet. Movements in cash balances, net of short term cash borrowings, in these subsidiaries are captured in note 14 to the Combined Historical Financial Information. This note is reproduced in the table below and sets out the opening and closing balance of the line item "investments at fair value through profit or loss" for the nine months ended 30 September 2014 and the years ended 31 December 2013, 2012 and 2011. The Group transfers excess cash from certain subsidiaries which are held as investments at fair value through profit or loss in the Group's combined balance sheet to consolidated subsidiaries. The cash transferred in each period is presented in the table below.

	Nine months ended 30 September 2014			
	Project companies	Other investments	Other assets and liabilities	Total
	(£ millions)			
Opening balance	645.1	39.7	60.2	**745.0**
Distributions	(13.1)	—	13.1	**—**
Investment in equity and loans	51.3	63.5	(114.8)	**—**
Disposals	(101.6)	(38.9)	140.5	**—**
Fair value movement	133.4	1.7	2.3	**137.4**
Net cash transferred from investments held at fair value through profit or loss	—	—	(40.2)	**(40.2)**
Closing balance	**715.1**[(1)]	**66.0**	**61.1**	**842.2**

Note:

(1) Including non-portfolio investments of £0.6 million.

Investments in equity and loans of £114.8 million include the acquisition of 39.7 per cent. of the shares in JLEN at its launch in March 2014 for £63.5 million together with cash injections into PPP projects and acquisitions of and subsequent cash injections into renewable energy projects.

Disposals include proceeds from the sale of six projects to JLEN, the sale of one project to JLIF and the sale of the Group's remaining holding in JLIF.

	Year ended 31 December 2013			
	Project companies	**Other investments**	**Other assets and liabilities**	**Total**
		(£ millions)		
Opening balance	538.7	37.2	59.6	**635.5**
Distributions	(29.8)	(2.2)	32.0	**—**
Investment in equity and loans	117.2	—	(117.2)	**—**
Disposals	(110.1)	—	110.1	**—**
Fair value movement	129.1	4.7	3.0	**136.8**
Net cash transferred from investments held at fair value through profit or loss	—	—	(27.3)	**(27.3)**
Closing balance	**645.1**[1]	**39.7**	**60.2**	**745.0**

Note:

[1] Including non-portfolio investments of £0.4 million.

Investments in equity and loans of £117.2 million include cash injections into PPP projects and acquisitions of and subsequent cash injections into renewable energy projects.

Disposals include proceeds from the sale of three projects to JLIF and the sale of two projects to other parties.

	Year ended 31 December 2012			
	Project companies	**Other investments**	**Other assets and liabilities**	**Total**
		(£ millions)		
Opening balance	458.1	83.2	40.5	**581.8**
Distributions	(33.9)	(4.1)	38.0	**—**
Investment in equity and loans	119.7	—	(119.7)	**—**
Disposals	(90.6)	(44.4)	135.0	**—**
Fair value movement	85.4	2.5	3.2	**91.1**
Net cash transferred from investments held at fair value through profit or loss	—	—	(37.4)	**(37.4)**
Closing balance	**538.7**[1]	**37.2**	**59.6**	**635.5**

Note:

[1] Including non-portfolio investments of £1.2 million.

Investments in equity and loans of £119.7 million include cash injections into PPP projects and acquisitions of and subsequent cash injections into renewable energy projects.

Disposals include proceeds from the sale of five projects to JLIF and the sale of shares in JLIF for proceeds of £44.4 million.

	Year ended 31 December 2011			
	Project companies	**Other investments**	**Other assets and liabilities**	**Total**
		(£ millions)		
Opening balance	478.9	66.5	8.2	**553.6**
Distributions	(34.0)	(2.2)	36.2	
Investment in equity and loans	59.6	15.0	(74.6)	**—**
Disposals	(124.9)	—	119.0	**(5.9)**
Fair value movement	78.5	3.9	(15.4)	**67.0**
Net cash transferred from investments held at fair value through profit or loss	—	—	(32.9)	**(32.9)**
Closing balance	**458.1**[1]	**83.2**	**40.5**	**581.8**

Note:

[1] Including non-portfolio investments of £0.4 million.

Investments in equity and loans of £74.6 million include cash injections into PPP projects and acquisition of the Group's first renewable energy project together with an acquisition of further shares in JLIF for £15.0 million.

Disposals include proceeds from the sale of 12 projects to JLIF, the contribution in kind of two projects to JLPF and the sale of the Group's investment in the Primary Plus projects to a third party.

The cash flows in paragraphs 7.2.1 and 7.2.2 below are those reported in the Combined Historical Financial Information and comprise the cash flows of the Company, HIHL and the consolidated subsidiaries (i.e. excluding entities held at fair value through profit or loss).

7.2.1 Cash flow statements

Net cash flow from operating activities comprises the cash outflows of the Group's primary bidding activities, offset by recoveries at financial close, and the net cash inflows of the Group's investment management and project management services less the Group's overheads.

Net cash from investing activities comprises the net cash transferred from investments held at fair value through profit or loss and dividends received from investments held at fair value through profit or loss; movement in balances of other financial assets (other financial assets are cash on deposit which have an original maturity of more than three months which do not qualify as cash balances); proceeds from disposal of subsidiaries, net of cash and disposal costs; and purchase of computer software and plant and equipment.

Net cash used in financing activities comprises the cash flow movement in borrowings and related costs in the Group.

During the period under review, the Group's cash flows as presented in accordance with IFRS in the Combined Historical Financial Information were broadly consistent with the activities of the business described in paragraph 7.2 above.

Cash flow for the nine months ended 30 September 2014 and 30 September 2013

	Nine months ended 30 September 2014	**Nine months ended 30 September 2013**
	(£ millions)	**(£ millions)**
Net cash outflow from operating activities	(39.2)	(42.1)
Net cash from investing activities	40.4	41.3
Net cash from financing activities	—	0.8
Net increase in cash and cash equivalents	1.2	—
Cash and cash equivalents at beginning of the period	2.3	8.3
Effect of foreign exchange rate changes	(0.6)	0.1
Cash and cash equivalents at end of period	**2.9**	**8.4**

Cash flow for the years ended 31 December 2013, 31 December 2012 and 31 December 2011

	Year ended 31 December		
	2013	**2012**	**2011**
		(£ millions)	
Net cash outflow from operating activities	(47.0)	(32.4)	(38.4)
Net cash from investing activities	39.7	33.8	34.5
Net cash from/(used in) financing activities	0.8	(0.7)	(0.8)
Net increase/(decrease) in cash and cash equivalents	(6.5)	0.7	(4.7)
Cash and cash equivalents at beginning of the period	8.3	7.4	12.0
Effect of foreign exchange rate changes	0.5	0.2	0.1
Cash and cash equivalents at end of period	**2.3**	**8.3**	**7.4**

7.3 Borrowings

Prior to the Facilities Agreement being entered into, the Group's corporate banking facility was held by John Laing plc. Under investment entity accounting, John Laing plc is an entity held at fair value in the Combined Historical Financial Information, as it is part of the corporate structure through which the Group's investment portfolio is held. As a result, outstanding borrowings amounts and associated balances are included within the line item "investments at fair value through profit or loss" on the Group's combined balance sheet and finance costs incurred on the corporate banking facility are included within the line item "net gains on investments at fair value through profit or loss" in the Group's combined income statement. Under the Facilities Agreement, as described in paragraph 10.6 in Part 14 "Additional Information", the Group corporate banking facility will be held by John Laing Group plc and related balances will be reported within current and non-current liabilities within the Group's balance sheet in future periods and related finance costs will be reported within finance costs in the Group's income statement in future periods.

The Group's corporate banking facility has been principally used to fund new investment commitments either through cash drawings or through issuing LCs. In addition, the Group may use such borrowings to make cash drawings where required to fund short-term working capital requirements, or for performance bonds to support short-term bidding activity. LCs outstanding are not recognised as a liability on the Group's combined balance sheet, with the value associated with future investment commitments attaching to those LCs not being recognised in Portfolio Book Value but rather recognised in the Gross Value as described in paragraph 2.2 "Investment portfolio valuation" above.

Prior to Admission, the Group incurred borrowings (in the form of either cash drawings or letters of credit) under its £353.9 million corporate banking facility entered into in February 2013, which was amended in October 2013 and June 2014. Upon (and conditional on) Admission, the Group will enter into the Facilities Agreement providing for £350 million senior unsecured bank facilities, under which borrowings will be used to refinance the outstanding obligations under the Group's corporate banking facility at Admission. The maturity date of the Facilities Agreement is 9 March 2020. For more information on the terms of the Facilities Agreement, see paragraph 10.7 "Banking facilities" in Part 14 "Additional Information".

As at 30 September 2014, £56.9 million of the Group's corporate banking facility was undrawn compared to undrawn amounts of £139.1 million, £137.3 million and £138.4 million as at 31 December 2013, 2012 and 2011, respectively. The following table presents a breakdown of the Group's borrowings for the period under review.

	As at 30 September	**As at 31 December**		
	2014	**2013**	**2012**	**2011**
		(£ millions)		
Cash and bank deposits[(1)(2)]	56.5	49.3	65.6	60.7
Corporate banking facility	353.9	305.0	324.6	324.9
Less:				
Letters of credit issued	(242.5)	(158.8)	(181.8)	(185.5)
Other guarantees and commitments	(1.0)	(1.1)	(5.5)	(1.0)
Short term cash borrowings[(2)]	(53.5)	(6.0)	—	—
Undrawn corporate facilities	**56.9**	**139.1**	**137.3**	**138.4**
Net available financial resources	**113.4**	**188.4**	**202.9**	**199.1**

Notes:

[(1)] Includes cash and cash equivalents and other financial assets included in discontinued operations but excluding cash amounts used for cash collateral of future investment commitments.

[(2)] Cash and bank deposits include amounts in both those Group entities that are fair valued and those Group entities that are consolidated in the Combined Historical Financial Information. A reconciliation of the cash and bank deposits amount stated above to the Group's combined balance sheet is provided below. All short term cash borrowings are in Group entities that are fair valued and as a result the short term cash borrowings are included within the line item "investments at fair value through profit or loss" in the Group's combined balance sheet.

Cash and bank deposits reconciled to the Group's combined balance sheet:

	As at 30 September	As at 31 December		
	2014	2013	2012	2011
Amounts in fair valued entities included within investments at fair value through profit or loss	53.6	47.0	54.4	51.2
Amounts in consolidated entities shown as cash and cash equivalents	2.9	2.3	6.5	6.6
Amounts in discontinued operations (note 11 to the Combined Historical Financial Information)	—	—	4.7	2.9
Total cash and bank deposits stated above	**56.5**	**49.3**	**65.6**	**60.7**

7.4 Contractual obligations

The table below presents a summary of the Group's outstanding commitments for future minimum lease payments under non-cancellable operating leases as at 30 September 2014:

	Less than one year	One to five years	More than five years	Total
		(£ millions)		
Land and buildings	1.4	5.5	7.5	14.4
Total	**1.4**	**5.5**	**7.5**	**14.4**

7.5 Off balance sheet arrangements

7.5.1 Cash subscriptions

See paragraph 3.1.2 in this Part 9 for information on the forecast timing for contracted cash subscriptions into the Group's primary investment portfolio.

7.5.2 Letters of credit

As at 30 September 2014, the Group had future equity and loan commitments of £290.8 million of which £242.5 million was backed by letters of credit with the balance backed by cash collateral. See paragraph 2.2 of this Part 9 for an explanation of the impact of LCs on the Gross Value of the Group's investment portfolio.

7.5.3 Performance bonds and other guarantees

The Group had provided performance bonds of £1.0 million under its corporate banking facility and a £4.6 million bid bond as at 30 September 2014.

8. Dividend policy

For a description of the Group's future dividend policy, see paragraph 11 "Dividend policy" of Part 6 "Business Description".

9. Quantitative and qualitative disclosures about market risks

The Group's activities expose it to a variety of financial risks: foreign exchange rate risk, interest rate risk, inflation risk, credit risk, price risk, liquidity risk and capital risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. See Part 1 "Risk Factors" and note 18 of Part 11 "Combined Historical Financial Information" for additional detail.

10. Critical accounting policies and estimates

For a description of the Group's critical accounting judgements and key sources of estimation uncertainty, see note 2 of Part 11 "Combined Historical Financial Information".

PART 10
CAPITALISATION AND INDEBTEDNESS

Capitalisation and indebtedness

The table below sets out the Company's capitalisation and indebtedness as at 30 September 2014. The information has been extracted without material adjustment from the Group's financial information included in Part 11 "Combined Historical Financial Information" as at 30 September 2014.

	As at 30 September 2014
	(£ millions)
Total current debt	
Unguaranteed/unsecured[(1)(2)(4)]	1,021.2
Shareholder's equity	
Share capital	—
Share premium	387.5
Accumulated loss	(725.4)
Total capitalisation and indebtedness[(3)]	**683.3**

The following table sets out the Company's net indebtedness as at 31 December 2014. The indebtedness information has been sourced from the Group's unaudited accounting records as at 31 December 2014, which is the latest practicable date prior to the publication of this Prospectus.

	As at 31 December 2014
	(£ millions)
Cash[(5)]	18.2
Liquidity	**18.2**
Other current financial debt[(1)(2)(4)]	(982.9)
Current Financial Indebtedness	**(982.9)**
Net Current Financial Indebtedness	**(964.7)**
Non-Current Financial Indebtedness	—
Net Financial Indebtedness[(3)(4)]	**(964.7)**

Notes:

[(1)] As at 30 September 2014, Group debt comprised shareholder loans of £967.7 million and £53.5 million of short term cash borrowings under the corporate banking facility. As at 31 December 2014, Group debt comprised shareholder loans of £982.9 million and £nil of short term cash borrowings under the corporate banking facility. The existing corporate banking facility is held by John Laing plc. As described in paragraph 7.3 of Part 9 "Operating and Financial Review", under investment entity accounting, John Laing plc is an entity held at fair value through profit and loss in the Combined Historical Financial Information, and as a result, short term cash borrowings under the corporate banking facility are included within the line item "investments at fair value through profit or loss" on the Group's combined balance sheet. For purposes of the tables above, the amounts outstanding under the corporate banking facility have been included in current financial debt.

[(2)] As part of the Reorganisation described in paragraph 1.11 of Part 14 "Additional Information", on 27 January 2015 the Group's shareholder loans (including interest accrued) were part waived and part capitalised. As a result, there are no shareholder loans on the Group's combined balance sheet subsequent to this date.

[(3)] At 30 September 2014, utilisation under the Group's corporate banking facility comprised short term cash borrowings of £53.5 million included above on the combined balance sheet and, in addition, letters of credit of £242.5 million and other guarantees of £1.0 million. Letters of credit and other guarantees are not recognised as liabilities within the Group's combined balance sheet as detailed in paragraph 7.5 of Part 9 "Operating and Financial Review". As at 31 December 2014, utilisation comprised short term cash borrowings of £nil, letters of credit of £243.8 million and other guarantees of £1.0 million.

[(4)] The Group's existing corporate banking facility will be replaced, conditional on Admission, by the Facilities Agreement as detailed in paragraph 10.7 of Part 14 "Additional Information", with John Laing Group plc being the borrower under the Facilities Agreement.

[(5)] As at 31 December 2014, the Group had cash collateral of £60.5 million to fund future investment commitments which has been excluded from the net indebtedness table presented above.

PART 11
COMBINED HISTORICAL FINANCIAL INFORMATION

ACCOUNTANTS' REPORT

Deloitte.

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London
EC4A 3BZ

The Board of Directors
on behalf of John Laing Group plc
1 Kingsway
London
WC2B 6AN

Barclays Bank PLC
5 The North Colonnade
London
E14 4BB

HSBC Bank plc
8 Canada Square
London
E14 5HQ

29 January 2015

Dear Sirs

John Laing Group plc (the "Company" and together with Henderson Infrastructure Holdco Limited and its subsidiaries, the "Group")

We report on the combined historical financial information for the three years and nine months ended 30 September 2014 set out in Part 11 of the prospectus dated 29 January 2015 of the Company (the "Prospectus"). This combined historical financial information has been prepared for inclusion in the Prospectus on the basis of the accounting policies set out in note 2 to the combined historical financial information. This report is required by Annex I item 20.1 of Commission Regulation (EC) No 809/2004 (the "Prospectus Directive Regulation) and is given for the purpose of complying with that requirement and for no other purpose.

We have not audited or reviewed the combined historical financial information for nine months ended 30 September 2013 which has been included for comparative purposes only, and accordingly do not express an opinion thereon.

Responsibilities

The Directors of the Company are responsible for preparing the combined historical financial information on the basis of preparation set out in note 2 to the combined historical financial information.

It is our responsibility to form an opinion on the combined historical financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the combined historical financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the combined historical financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the combined historical financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion on financial information

In our opinion, the combined historical financial information gives, for the purposes of the Prospectus a true and fair view of the state of affairs of the Group as at 31 December 2011, 31 December 2012, 31 December 2013 and 30 September 2014 and of its profits, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in note 2 to the combined historical financial information.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

Deloitte LLP
Chartered Accountants

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom. Deloitte LLP is the United Kingdom member firm of Deloitte Touche Tohmatsu Limited ("DTTL"), a UK private company limited by guarantee, whose member firms are legally separate and independent entities. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTTL and its member firms.

COMBINED HISTORICAL FINANCIAL INFORMATION

Combined Group Income Statement

	Notes	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
		£ million	£ million (unaudited)	£ million	£ million	£ million
Continuing operations						
Dividend income	4	0.2	0.2	0.3	0.3	0.3
Net gain on investments at fair value through profit or loss	14	137.4	76.1	136.8	91.1	67.0
Other income	5	28.9	73.1	85.2	113.3	76.2
Operating income	3	166.5	149.4	222.3	204.7	143.5
Cost of sales		(0.3)	(35.6)	(37.9)	(44.8)	(43.0)
Gross profit		166.2	113.8	184.4	159.9	100.5
Administrative expenses		(45.6)	(47.2)	(63.8)	(68.1)	(58.3)
Other gains and losses	8	—	—	21.2	—	—
Profit from operations	6	120.6	66.6	141.8	91.8	42.2
Finance costs	9	(51.3)	(50.8)	(67.8)	(67.5)	(67.6)
Profit/(loss) before tax		69.3	15.8	74.0	24.3	(25.4)
Tax credit/(charge)	10	—	(0.1)	(2.3)	0.1	1.0
Profit/(loss) from continuing operations		69.3	15.7	71.7	24.4	(24.4)
Discontinued operations						
(Loss)/profit from discontinued operations (after tax)	11	(0.2)	(1.9)	(1.3)	(2.1)	0.4
Profit/(loss) for the period attributable to the Owner of the Company		69.1	13.8	70.4	22.3	(24.0)

Combined Group Statement of Comprehensive Income

	Note	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
		Total	Total	Total	Total	Total
		£ million	£ million (unaudited)	£ million	£ million	£ million
Profit/(loss) for the period		69.1	13.8	70.4	22.3	(24.0)
Exchange difference on translation of overseas operations		(0.4)	—	0.1	(0.1)	—
Actuarial loss on post retirement obligations	21	(12.1)	(32.4)	(31.2)	(45.3)	(1.5)
Other comprehensive loss for the period		(12.5)	(32.4)	(31.1)	(45.4)	(1.5)
Total comprehensive income/(loss) for the period		56.6	(18.6)	39.3	(23.1)	(25.5)

Combined Group Statement of Changes in Equity

	Share capital	Share premium	Retained earnings/ accumulated loss	Total deficit
	£ million	£ million	£ million	£ million
Balance at 1 January 2011	—	387.5	(772.7)	(385.2)
Loss for the year	—	—	(24.0)	(24.0)
Other comprehensive loss for the year	—	—	(1.5)	(1.5)
Total comprehensive loss for the year	—	—	(25.5)	(25.5)
Balance at 31 December 2011	—	387.5	(798.2)	(410.7)
Balance at 1 January 2012	—	387.5	(798.2)	(410.7)
Profit for the year	—	—	22.3	22.3
Other comprehensive loss for the year	—	—	(45.4)	(45.4)
Total comprehensive loss for the year	—	—	(23.1)	(23.1)
Balance at 31 December 2012	—	387.5	(821.3)	(433.8)
Balance at 1 January 2013	—	387.5	(821.3)	(433.8)
Profit for the year	—	—	70.4	70.4
Other comprehensive loss for the year	—	—	(31.1)	(31.1)
Total comprehensive income for the year	—	—	39.3	39.3
Balance at 31 December 2013		387.5	(782.0)	(394.5)
Balance at 1 January 2014	—	387.5	(782.0)	(394.5)
Profit for the period	—	—	69.1	69.1
Other comprehensive loss for the period	—	—	(12.5)	(12.5)
Total comprehensive income for the period	—	—	56.6	56.6
Balance at 30 September 2014	—	387.5	(725.4)	(337.9)

Combined Group Balance Sheet

	Notes	30 September 2014	31 December 2013	31 December 2012	31 December 2011
		£ millions	£ millions	£ millions	£ millions
Non-current assets					
Intangible assets	12	0.9	1.3	2.9	3.4
Plant and equipment	13	1.4	2.2	3.8	0.9
Investments at fair value through profit or loss	14	842.2	745.0	635.5	581.8
Deferred tax assets	20	1.5	1.5	1.9	1.8
		846.0	750.0	644.1	587.9
Current assets					
Inventories—work in progress		—	—	0.2	0.1
Trade and other receivables	15	8.6	10.7	19.3	16.1
Cash and cash equivalents		2.9	2.3	6.5	6.6
		11.5	13.0	26.0	22.8
Assets classified as held for sale	11	—	0.6	4.7	3.0
Total assets		857.5	763.6	674.8	613.7
Current liabilities					
Interest bearing loans and borrowings	17	(967.7)	(922.6)	(862.3)	(801.9)
Trade and other payables	16	(19.1)	(21.1)	(42.9)	(47.5)
		(986.8)	(943.7)	(905.2)	(849.4)
Liabilities directly associated with assets classified as held for sale	11	(9.1)	(9.8)	(10.5)	(6.8)
Net current liabilities		(984.4)	(939.9)	(885.0)	(830.4)
Non-current liabilities					
Retirement benefit obligations	21	(197.4)	(204.4)	(189.8)	(161.0)
Provisions	22	(2.1)	(0.2)	(3.1)	(7.2)
		(199.5)	(204.6)	(192.9)	(168.2)
Total liabilities		(1,195.4)	(1,158.1)	(1,108.6)	(1,024.4)
Net liabilities		(337.9)	(394.5)	(433.8)	(410.7)
Equity					
Share capital	23	—	—	—	—
Share premium	24	387.5	387.5	387.5	387.5
Accumulated loss		(725.4)	(782.0)	(821.3)	(798.2)
—retirement benefit obligations		(197.4)	(204.4)	(189.8)	(161.0)
—other reserves		(528.0)	(577.6)	(631.5)	(637.2)
Deficit attributable to owner of the Company		**(337.9)**	**(394.5)**	**(433.8)**	**(410.7)**

Combined Group Cash Flow Statement

	Notes	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
		£ million	£ million (unaudited)	£ million	£ million	£ million
Net cash outflow from operating activities	25	(39.2)	(42.1)	(47.0)	(32.4)	(38.4)
Investing activities						
Net cash transferred from investments held at fair value through profit or loss		40.2	40.4	27.3	37.4	32.9
Reduction/(increase) in other financial assets		—	2.8	2.9	(0.7)	2.5
Dividends received		0.2	0.2	0.3	0.3	0.3
Proceeds from disposal of subsidiaries, net of cash and disposal costs		—	(2.0)	9.3	—	—
Proceeds from the disposal of investments, net of disposal costs		—	—	—	1.7	—
Purchase of computer software		—	—	—	(0.4)	—
Purchase of plant and equipment		—	(0.1)	(0.1)	(4.5)	(1.2)
Net cash from investing activities		40.4	41.3	39.7	33.8	34.5
Financing activities						
Interest paid		—	—	—	(0.7)	(0.8)
Proceeds from borrowings		—	0.8	0.8	—	—
Net cash from/(used in) financing activities		—	0.8	0.8	(0.7)	(0.8)
Net increase/(decrease) in cash and cash equivalents		1.2	—	(6.5)	0.7	(4.7)
Cash and cash equivalents at beginning of the period		2.3	8.3	8.3	7.4	12.0
Effect of foreign exchange rate changes		(0.6)	0.1	0.5	0.2	0.1
Cash and cash equivalents at end of the period	26	2.9	8.4	2.3	8.3	7.4

Notes to the Combined Historical Financial Information

1. General information

The Group as presented herein represents the combination of John Laing Group plc (the "Company") and Henderson Infrastructure Holdco Limited and its subsidiaries. The registered office for the Company is 1 Kingsway, London, WC2B 6AN. The Company and Henderson Infrastructure Holdco Limited have been under the common control of Henderson Infrastructure Holdco (Jersey) Limited throughout the three years and nine months ended 30 September 2014 (the "Historical Financial Period"). The principal activity of the Group is origination, investment and management of international infrastructure projects.

The combined historical financial information (the "Combined Historical Financial Information") is presented in pounds sterling.

2. Accounting policies

Adoption of new and revised standards

At the date of authorisation of this Combined Historical Financial Information, the following standards and interpretations which have not been applied in this Combined Historical Financial Information were in issue but not yet effective (any other standard not listed below has been applied in this Combined Historical Financial Information):

- IFRS 9 Financial Instruments
- IFRS 11 Accounting for Acquisitions of Interests in Joint Operations
- IAS 16 / IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
- IFRS 14 Regulatory Deferral Accounts
- IFRS 15 Revenue from Contracts with Customers
- IFRS 10 / IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- IAS 27 Equity Method in Separate Financial Statements
- Annual Improvements to IFRSs (2012-2014) Cycle

With the exception of IFRS 9, the directors do not anticipate that the adoption of the standards listed above will have a material impact on the financial information of the Group in future reporting periods. The adoption of IFRS 9, when it becomes mandatory, will have an impact on the classification and disclosures of financial instruments.

Basis of preparation

This Combined Historical Financial Information comprises the results of John Laing Group plc and Henderson Infrastructure Holdco Limited and its subsidiaries, which were under the common control of Henderson Infrastructure Holdco (Jersey) Limited throughout the Historical Financial Period. These entities have not previously constituted a legal group and hence there is no pre-existing combined or consolidated historical financial information for the Group. Accordingly, the Combined Historical Financial Information has been prepared specifically for the purpose of the prospectus.

International Financial Reporting Standards ("IFRS") do not explicitly provide guidance for the preparation of Combined Historical Financial Information and, accordingly, in preparing the Combined Historical Financial Information certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars, as described in the Annexure to SIR 2000, Investment Reporting Standard applicable to public reporting engagements on historical financial information, ("SIR 2000") issued by the UK Auditing Practices Board, have been applied.

The Combined Historical Financial Information is therefore prepared on a combined basis and has been prepared by applying relevant principles underlying the consolidation procedures as set out in IFRS 10 Consolidated Financial Statements. The assets, liabilities, income and expenses of the entities comprising the Group have been aggregated. All transactions and balances between entities included within the Combined Historical Financial Information have been eliminated.

2. Accounting policies (Continued)

Both Henderson Infrastructure Holdco Limited and the Company meet the definition of an investment entity set out within IFRS 10. Investment entities are required to account for all investments in controlled entities, as well as investments in associates and joint ventures, at fair value through profit and loss, except for those subsidiaries that both provide investment related services or engage in permitted investment related activities with investees ("Services Companies"). Services Companies are consolidated rather than recorded at fair value through profit and loss.

As part of the reorganisation of the Group on admission to trading on the London Stock Exchange ("Admission"), the legal ownership of certain Service Companies of Henderson Infrastructure Holdco Limited will be transferred to the Company. Such transfers will be accounted for as a reorganisation of entities under common control and prior periods retrospectively restated. Accordingly, for the purpose of the Combined Historical Financial Information these Service Companies have been consolidated, rather than fair valued through profit and loss, consistent with the presentation to be adopted in the Group's first published annual report following Admission.

The Combined Historical Financial Information has been prepared in accordance with the requirements of the Prospectus Directive regulation and the UK Listing Rules, and has been prepared in accordance with the relevant standards of IFRS as adopted by the European Union that are effective for financial periods beginning on or after 1 January 2014, subject to the application of SIR 2000 as described above with respect to the preparation of the Combined Historical Financial Information.

Although not considered a departure from IFRS, it should be noted that there is an omission of earnings per share on the basis that such a measure is not meaningful in the context of the Combined Historical Financial Information where the share capital of the Company and Henderson Infrastructure Holdco Limited has been aggregated.

The Combined Historical Financial Information has been prepared on the historical cost basis except for the revaluation of the investment portfolio and financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

(a) Application of investment entity guidance

Following EU endorsement of Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (the Amendments) in November 2013, the Group considered whether it met the definition of an investment entity in order to early adopt the Amendments for the year ended 31 December 2013. Under the guidance, an investment entity is considered to be an entity which:

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

In assessing whether it meets the definition of an investment entity, an entity must consider whether it has the following typical characteristics:

- more than one investment;
- more than one investor;
- investors that are not related parties of the entity; and
- ownership interests in the form of equity or similar interests.

The Group concluded that both the Company and Henderson Infrastructure Holdco Limited met the definition of an investment entity. The Group has also adopted the amendments to IFRS 12 and IAS 27 which are applicable to an investment entity. Following adoption of these standards, the Group, as an investment entity, measures all investments in project companies (including subsidiary project companies which it controls and joint ventures and associates) at fair value through profit or loss in accordance with

2. Accounting policies (Continued)

IAS 39: Financial Instruments: Recognition and Measurement (to be replaced by IFRS 9: Financial Instruments when it becomes effective).

The fair value of investments in project companies is calculated by discounting the future cash flows of the underlying projects at an appropriate discount rate. The discount rates used are based on market discount rates for similar assets adjusted with an appropriate premium to reflect project specific risk and the phase of the project. The discount rates that have been applied to investments at 30 September 2014 were in the range of 7.5% to 11.0% (30 September 2013 (unaudited): 6.6% to 11.3%; 31 December 2013: 7.5% to 11.0%; 31 December 2012: 6.8% to 13.0%; 31 December 2011: 5.4% to 13.0%).

The fair value of other investments, which comprises investments in listed companies (JLEN and JLIF), is determined by the number of shares held at the period end date and the share price at that date.

The Group continues to consolidate those subsidiaries which provide services to the Group's investment activities. These are companies within the recourse part of the Group including Laing Investments Management Services Limited, John Laing Capital Management Limited and John Laing Services Limited. The Group also consolidated its former subsidiary, John Laing Integrated Services Limited ('JLIS'), until the date of its disposal on 18 October 2013.

(b) Going concern

The Directors have reviewed the Group's financial projections and cash flow forecasts and believe, based on those projections and forecasts, that it is appropriate to prepare the Combined Historical Financial Information of the Group on the going concern basis.

The Directors are of the opinion that, based on the Group's forecasts and projections and taking account of expected bidding activity and operational performance, the Group will be able to operate within its bank facilities and comply with the financial covenants therein for the foreseeable future.

(c) Dividend income

Dividend income from investments at fair value through profit or loss is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably). Dividend income is recognised gross of withholding tax, if any, and only when approved and paid by the project company.

(d) Net gain on investments at fair value through profit or loss

Net gain on investments at fair value through profit or loss exclude dividend income referred to above. Please refer to accounting policy (f)(i) for further detail.

(e) Other income

The Group earns income from the following sources:

(i) Fees from asset management services

Fees from asset management services to the Group investment portfolio and external parties are recognised as services are provided in accordance with IAS 18: Revenue.

When it is probable that the expected outcome over the life of a management services contract will result in a net outflow of economic benefits or overall loss, a provision is recognised immediately. The provision is determined based on the net present value of the expected future cash inflows and outflows.

(ii) Fees from facilities management services

Until the sale of JLIS on 18 October 2013, fees from long-term facilities management contracts was accounted for in accordance with IAS 18: Revenue. Revenues and profits recognised were determined by reference to services provided in the period.

2. Accounting policies (Continued)

(iii) Recovery of bid costs

Bid costs in respect of primary investments are charged to the Combined Group Income Statement until such time as the Group is virtually certain that it will recover the costs. Virtual certainty is generally achieved when an agreement is in place demonstrating that costs are fully recoverable even in the event of cancellation of a project. From the point of virtual certainty, bid costs are held in the Combined Group Balance Sheet as a debtor prior to achieving financial close. On financial close (finalisation of project and financing agreements), the Group recovers bid costs by charging a fee to the relevant company in the investment portfolio.

Other income excludes the value of intra-group transactions and VAT and includes revenue derived from the provision of services to project companies, which are held at FVTPL by consolidated services companies by Group recourse companies.

(f) Financial instruments

Financial assets and financial liabilities are recognised in the Combined Group Balance Sheet when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss’ (FVTPL), ‘held-to-maturity’ investments, ‘available-for-sale’ financial assets and ‘loans and receivables’. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The financial assets that the Group holds are classified as FVTPL and loans and receivables.

- Investments at fair value through profit or loss comprise the investments in project companies, investments in listed funds and other assets and liabilities of investment entity subsidiaries. Investments in project companies and JLIF or JLEN are designated upon initial recognition as financial assets at FVTPL. The Group’s policy is to fair value together both the equity and subordinated debt investments in project subsidiaries, joint ventures and associates. Subsequent to initial recognition, the investments are measured on a combined basis at fair value using discounted cash flow methodology, with changes recognised within operating income in the Combined Group Income Statement.

  The Directors consider that the carrying value of other assets and liabilities held in investments at FVTPL approximates fair value. The changes in value of these assets and liabilities are recognised in net gains on investments at fair value through profit or loss in the Combined Group Income Statement.

- Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial. Loans and receivables are included in current assets, except for maturities greater than 12 months

2. Accounting policies (Continued)

after the balance sheet date which are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables', 'cash and cash equivalents' and 'other financial assets' in the Combined Group Balance Sheet.

(ii) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indications of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events which have occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

(iii) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(iv) Financial liabilities

Interest bearing bank loans and borrowings are initially recorded at fair value, being the proceeds received, net of direct issue costs and subsequently at amortised cost using the effective interest rate method. Finance charges, including premiums payable on settlement or redemption, and direct issue costs are accounted for on an accrual basis in the Combined Group Income Statement and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Other non-derivative financial instruments are measured at amortised cost using the effective interest method less any impairment losses.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

(v) Derivative financial instruments

The Group treats forward foreign exchange contracts and currency swap deals it enters into as FVTPL derivative financial instruments. Changes in the fair value of these instruments are taken to the Combined Group Income Statement.

(g) Provisions

Provisions are recognised when:

- the Group has a legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

(h) Finance costs

Finance costs include interest on the shareholder loans from Henderson Infrastructure Holdco (Jersey) Limited to Henderson Infrastructure Holdco Limited. Interest is accrued over the period based on the original loan principals outstanding.

2. Accounting policies (Continued)

Finance costs also include the net interest cost on the pension and post-retirement benefits and the unwinding of discount on provisions.

Finance costs relating to set up costs for the corporate banking facility and letter of credit fees, are recognised over the credit facility term or in the year in which they are incurred, respectively.

(i) Taxation

The tax charge or credit represents the sum of tax currently payable and deferred tax.

Current tax

Current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Combined Group Income Statement because it excludes both items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted, or substantively enacted, by the balance sheet date.

Deferred tax

Deferred tax liabilities are recognised for taxable temporary differences arising from investments in project companies, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The measurement of deferred tax liabilities in project companies reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the Combined Group Income Statement except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(j) Foreign currencies

The individual financial statements of each Group subsidiary are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the Combined Historical Financial Information, the results and financial position of each Group subsidiary are expressed in pounds sterling, the functional currency of the Company and the presentation currency for the Combined Historical Financial Information.

Exchange differences arising in the ordinary course of trading are reflected in the Combined Group Income Statement; those arising on translation of net results of foreign operations are transferred to the Group's translation reserve in the Combined Group Balance Sheet. On disposal of foreign operations, such translation differences are reclassified to the Combined Group Income Statement in the period in which the disposal has occurred.

For the purposes of presenting the Group Historical Financial Information, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Monetary assets and liabilities expressed in foreign currency are reported at the rate of exchange prevailing at the balance sheet date or, if appropriate, at the forward contract rate. Any difference arising on the retranslation of these amounts is taken to the Combined Group Income Statement, except for long-term shareholder loans, which form part of net investment in a foreign operation, and where any difference arising on the retranslation of these amounts is taken to the translation reserve in the Combined Group Balance Sheet.

2. Accounting policies (Continued)

In the event of disposal of a foreign investment, this reserve is reclassified to the Combined Group Income Statement as part of the profit or loss on disposal.

(k) Non-current assets held for sale and discontinued operations

Where a disposal group represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, it is treated as a discontinued operation. The post-tax profit or loss of this discontinued operation together with the gain or loss recognised on its disposal is shown as a single amount on the face of the Combined Group Income Statement, with all historical financial periods being presented on this basis.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount is recoverable through a sale rather than through continuing use. This condition is regarded as having been met only when the sale is highly probable, the asset (or disposal group) is available for immediate sale in its present condition and the sale is completed within one year of the date of its classification.

(l) Intangible assets

Computer software classified as an intangible asset is amortised over three to five years on a straight line basis.

(m) Plant and equipment

Plant and equipment, including fixtures and fittings and computer equipment, are stated at cost less accumulated depreciation and any impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives using the straight line method on the following bases:

Computer equipment	3 to 5 years
Office equipment	3 to 5 years

(n) Retirement benefit costs

The Group operates both defined benefit and defined contribution pension arrangements. Its two defined benefit pension schemes are the John Laing Pension Fund (JLPF) and the John Laing Pension Plan, which are closed to future accrual. The Group also provides post-retirement medical benefits to certain former employees.

Payments to defined contribution pension arrangements are charged as an expense as they fall due.

For the defined benefit pension schemes and the post-retirement medical benefit scheme, the cost of providing benefits is determined in accordance with IAS 19: Employee Benefits (revised) using the projected unit credit method, with actuarial valuations being carried out at least every three years. Actuarial gains and losses are recognised in full in the year in which they occur and are presented in the Group Statement of Comprehensive Income. Curtailment gains arising from changes to members' benefits are recognised in full in the Combined Group Income Statement.

The retirement benefit obligations recognised in the Combined Group Balance Sheet represent the present value of (i) defined benefit scheme obligations as adjusted for unrecognised past service costs and as reduced by the fair value of scheme assets, where any asset resulting from this calculation is limited to past service costs plus the present value of available refunds and reductions in future contributions to the schemes, and (ii) unfunded post-retirement medical benefits.

Net interest expense or income is recognised within finance costs.

2. Accounting policies (Continued)

(o) Cash and cash equivalents

Cash and cash equivalents in the Combined Group Balance Sheet comprise cash at bank and in hand and short term deposits with original maturities of three months or less. For the purposes of the Combined Group Cash Flow Statement, cash and cash equivalents comprise cash and short term deposits as defined above, net of bank overdrafts.

Deposits held with original maturities of greater than three months are shown as other financial assets.

(p) Leasing

All leases are classified as operating leases. Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

(q) Share capital

Ordinary shares are classified as equity instruments on the basis that they evidence a residual interest in the assets of the Group after deducting all its liabilities.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates made and the underlying assumptions on which they are based are reviewed regularly. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgement

Determining whether the Group qualifies as an investment entity

The Group has assessed whether it falls within the criteria of an investment entity under Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) throughout the historical financial period as follows:

(a) the Group has historically been wholly owned by Henderson Infrastructure Holdco Limited on behalf of two funds, Henderson PFI Secondary Fund LP and Henderson PFI Secondary Fund II LP, which in turn have a number of investors.

(b) the Group's strategy is to invest in, and manage, infrastructure assets. It invests in PPP (public-private partnership) project companies and renewable energy projects with the sole purposes of earning investment income and capital appreciation. The underlying project companies have businesses and activities that the Group is not directly involved in. The Group's returns from the provision of management services to project companies are small in comparison to the Group's overall investment-based returns.

(c) the Group measures all its investments in PPP project companies and renewable energy projects on a fair value basis. Information on the fair value of investments forms part of monthly management reports reviewed by the Board of Directors.

Although the Group has a defined benefit pension liability, IFRS does not exclude companies with non-investment related liabilities from qualifying as investment entities.

2. Accounting policies (Continued)

Unconsolidated project company subsidiaries are 'non-recourse' entities. Based on the arrangements in place with those subsidiaries, the Group has concluded that there are no:

(a) significant restrictions (resulting from borrowing arrangements, regulatory requirements or contractual arrangements) on the ability of an unconsolidated subsidiary to transfer funds to the Group in the form of cash dividends or to repay loans or advances made to the unconsolidated subsidiary by the Group; and

(b) current commitments or intentions to provide financial or other support to an unconsolidated subsidiary, including commitments or intentions to assist the subsidiary in obtaining financial support, beyond commitments made at financial close.

Key sources of estimation uncertainty

Fair value of investments in project companies

A valuation of the Group's investment portfolio is prepared on a consistent, principally discounted cash flow basis at 30 June and 31 December. The valuation is carried out on a fair value basis assuming that forecast cash flows are received until maturity of the underlying assets.

A base case discount rate for an operational project is derived from secondary market information and other available data points. The base case discount rate is then adjusted to reflect additional project-specific risks. In addition, risk premia are added during the construction phase to reflect the additional risk during construction.

These premia reduce over time as the project progresses through its construction programme, reflecting the significant reduction in risk once the project reaches the operating stage.

The cash flows on which the discounted cash flow valuation is based are those forecast to be distributable to the Group at each balance sheet date, derived from detailed financial models. These incorporate assumptions reflecting the Group's expectations of likely future cash flows including value enhancements.

Pension and other post-retirement liability accounting

The combined accounting deficit in the Group's defined benefit pension and post-retirement medical schemes at 30 September 2014 was £197.4 million (31 December 2013: £204.4 million; 31 December 2012: £189.8 million; 31 December 2011: £161.0 million). The value of the pension deficit is highly dependent on assumptions for price inflation, discount rate and longevity experience. The sensitivity of the pension liabilities to changes in these assumptions is illustrated in note 21.

In determining the Group's defined benefit pension liability, consideration is also given to whether there is a minimum funding requirement under IFRIC 14 which is in excess of the IAS 19 liability. If the minimum funding requirement is higher, an additional liability would need to be recognised. Under the trust deed and rules of JLPF, the Group has an ultimate unconditional right to any surplus, accordingly the excess of the minimum funding requirement over the IAS 19 liability has not been recognised as an additional liability.

3. Operating segments

Information is reported to the Group's Board (the chief operating decision maker under IFRS 8) for the purposes of resource allocation and assessment of segment performance based on the category of activities undertaken within the Group. The principal categories of activity, and thus the reportable segments under IFRS 8, are: Primary Investment, Secondary Investment and Asset Management.

The Group's investment portfolio, comprising investments in project companies and listed funds and included within investments at fair value through profit or loss (see note 14) is allocated between primary and secondary investments. The Primary Investment portfolio includes projects which have recently reached financial close and/or are in the construction phase. The Secondary Investment portfolio includes operational projects, most of which were originally primary investments of the Group.

3. Operating segments (Continued)

The results included within each of the reportable segments comprise:

Primary Investment—costs and cost recoveries associated with sourcing, bidding for and winning greenfield infrastructure and renewable energy projects; investment returns from and growth in the value of the Primary Investment portfolio, net of associated costs.

Secondary Investment—investment returns from and growth in the value of the Secondary Investment portfolio, net of associated costs.

Asset Management—fee income and associated costs from investment management services in respect of both the Primary and Secondary Investment portfolios and in respect of JLIF's and JLEN's portfolios; fee income and associated costs from project management services and, up to 18 October 2013, fee income and associated costs from facilities management services.

The Board's primary measure of profitability for each segment is adjusted profit before tax. Adjusted profit before tax reflects solely the performance of the underlying primary and secondary portfolios and the asset management business. The measure removes the impact of finance costs and tax credits included within the net gain on investments at FVTPL, but incurred outside of project companies, fair value movements on derivatives, intra-segment sales, post retirement charges and other non-investment portfolio items such as gains arising on sale of JLIS.

The following is an analysis of the Group's adjusted profit/(loss) before tax and adjusted operating income for the nine months ended 30 September 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011:

	Adjusted operating income					
	Nine months ended 30 September 2014			Nine months ended 30 September 2013		
	External	Inter-segment	Total	External	Inter-segment	Total
	£ million	£ million	£ million	£ million	£ million (unaudited)	£ million
Primary Investment	116.9	—	**116.9**	39.7	—	**39.7**
Secondary Investment	32.3	—	**32.3**	47.4	—	**47.4**
Asset Management						
Facilities management services	—	—	**—**	45.6	5.2	**50.8**
Other	18.9	8.0	**26.9**	19.1	6.2	**25.3**
Total	18.9	8.0	**26.9**	64.7	11.4	**76.1**
Reportable segments	168.1	8.0	**176.1**	151.8	11.4	**163.2**
Inter-segment and intra-group sales	—	(8.0)	**(8.0)**	—	(11.4)	**(11.4)**
Finance costs in net gain on investments at FVTPL	(8.9)	—	**(8.9)**	(7.9)	—	**(7.9)**
Tax credits in net gain on investments at FVTPL	3.3	—	**3.3**	3.1	—	**3.1**
Changes in fair value of derivative financial instruments outstanding at period end and classified as FVTPL	1.8	—	**1.8**	0.2	—	**0.2**
Other	2.2	—	**2.2**	2.2	—	**2.2**
Operating income	166.5	—	**166.5**	149.4	—	**149.4**

3. Operating segments (Continued)

	Adjusted operating income								
	Year ended 31 December 2013			Year ended 31 December 2012			Year ended 31 December 2011		
	External	Inter-segment	Total	External	Inter-segment	Total	External	Inter-segment	Total
	£ million	£ million	£ million	£ million	£ million	£ million	£ million	£ million	£ million
Primary Investment	57.2	—	57.2	91.0	—	91.0	44.5	—	44.5
Secondary Investment	93.8	—	93.8	35.1	—	35.1	33.4	—	33.4
Asset Management									
Facilities management services	48.2	5.2	53.4	63.4	6.7	70.1	49.8	6.2	56.0
Other	25.0	8.2	33.2	25.4	6.5	31.9	21.3	7.6	28.9
Total	73.2	13.4	86.6	88.8	13.2	102.0	71.1	13.8	84.9
Reportable segments	224.2	13.4	237.6	214.9	13.2	228.1	149.0	13.8	162.8
Inter-segment and intra-group sales	—	(13.4)	(13.4)	—	(13.2)	(13.2)	—	(13.8)	(13.8)
Finance costs in net gain on investments FVTPL	(10.7)	—	(10.7)	(12.2)	—	(12.2)	(11.0)	—	(11.0)
Tax credits in net gain on investments at FVTPL	9.0	—	9.0	2.8	—	2.8	2.3	—	2.3
Changes in fair value of derivative financial instruments outstanding at period end and classified as FVTPL	0.6	—	0.6	(0.2)	—	(0.2)	—	—	—
Other	(0.8)	—	(0.8)	(0.6)	—	(0.6)	3.2	—	3.2
Operating income	222.3	—	222.3	204.7	—	204.7	143.5	—	143.5

	Adjusted profit/(loss) before tax				
	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Primary Investment	88.0	9.8	20.9	43.2	9.7
Secondary Investment	27.0	42.0	80.8	23.2	23.2
Asset Management					
Facilities management services	—	5.8	3.2	14.3	2.1
Other	8.2	8.2	8.8	11.0	3.6
	8.2	14.0	12.0	25.3	5.7
Reportable segments' adjusted profit before tax	123.2	65.8	113.7	91.7	38.6
Profit on disposal of JLIS	—	—	21.2	—	—
Post retirement charges	(7.5)	(6.6)	(8.8)	(8.0)	(8.7)
Costs relating to discontinued operations and other	(2.8)	(2.4)	(1.2)	(2.6)	0.6
Interest charge on shareholder loans	(45.1)	(45.1)	(60.3)	(60.3)	(60.3)
Other	1.3	2.2	8.2	1.8	4.9
Profit/(loss) before tax	69.1	13.9	72.8	22.6	(24.9)
Being:					
Profit/(loss) before tax from continuing operations	69.3	15.8	74.0	24.3	(25.4)
(Loss)/profit before tax from discontinued operations (note 11)	(0.2)	(1.9)	(1.2)	(1.7)	0.5
Profit/(loss) before tax	69.1	13.9	72.8	22.6	(24.9)

For the nine months ended 30 September 2014, more than 10% of adjusted operating income was derived from one project, IEP (Phase 2) (nine months ended 30 September 2013 (unaudited)—North Staffs

3. Operating segments (Continued)

Hospital; year ended 31 December 2013—A1 Gdansk Poland; year ended 31 December 2012—IEP (Phase 1); year ended 31 December 2011—Royal Adelaide Hospital).

	30 September 2014	31 December 2013	31 December 2012	31 December 2011
	£ million	£ million	£ million	£ million
Segment assets				
Primary Investment	373.2	300.7	219.1	169.5
Secondary Investment	407.3	383.7	355.6	371.4
Total investment portfolio	780.5	684.4	574.7	540.9
Other	61.7	60.6	60.8	40.9
Total investments at FVTPL	842.2	745.0	635.5	581.8
Other assets	15.3	18.6	39.3	31.9
Total assets	857.5	763.6	674.8	613.7
Retirement benefit obligations	(197.4)	(204.4)	(189.8)	(161.0)
Shareholder loan	(967.7)	(922.6)	(862.3)	(801.9)
Other liabilities	(30.3)	(31.1)	(56.5)	(61.5)
Total liabilities	(1,195.4)	(1,158.1)	(1,108.6)	(1,024.4)

4. Dividend income

	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Dividends from investments	0.2	0.2	0.3	0.3	0.3
	0.2	0.2	0.3	0.3	0.3

5. Other income

	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Fees from asset management services	18.9	19.1	25.0	25.4	21.3
Fees from facilities management services	—	45.6	48.2	63.4	49.8
Recovery of bid costs	9.8	7.5	9.7	22.3	2.2
Other	0.2	0.9	2.3	2.2	2.9
	28.9	73.1	85.2	113.3	76.2

6. Profit from operations

	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Profit from operations has been arrived at after (charging)/ crediting:					
Payments under operating leases:					
—rental of land and buildings	(1.4)	(1.4)	(2.0)	(3.2)	(4.4)
Net foreign exchange gain/(loss)	0.9	(0.9)	(0.2)	(0.7)	(0.1)
Depreciation of plant and equipment	(0.8)	(0.9)	(1.2)	(1.1)	(0.5)
Amortisation of intangible assets	(0.4)	(0.7)	(1.6)	(0.9)	(0.7)

7. Employee costs

	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Employee costs comprise:					
Salaries	18.8	32.6	40.2	44.1	42.4
Social security costs	2.4	3.4	4.2	4.8	4.2
Pension charge					
—defined benefit schemes (see note 21)	1.2	0.9	1.7	1.1	2.1
—defined contribution	1.1	2.0	2.4	2.6	2.6
	23.5	38.9	48.5	52.6	51.3

8. Other gains and losses

	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Profit on disposals	—	—	21.2	—	—
Other gains and losses	—	—	21.2	—	—

The Group disposed of Woodcroft Insurance Company Limited (Woodcroft), its captive insurance subsidiary, on 28 August 2013 and JLIS, its facilities management business, on 18 October 2013. Woodcroft has been presented as a discontinued operation within the combined historical financial information. JLIS

8. Other gains and losses (Continued)

is included within continuing operations up to the date of disposal as it does not meet the criteria for discontinued operations classification (see note 2(k) above). The net assets at the date of disposal were:

	Nine months ended 30 September 2014 Total	Nine months ended 30 September 2013 Woodcroft	Year ended 31 December 2013 JLIS and Woodcroft	Year ended 31 December 2012 Total	Year ended 31 December 2011 Total
	£ million	£ million (unaudited)	£ million	£ million	£ million
Plant and equipment	—	—	0.5		
Deferred tax asset	—	—	0.2	—	—
Inventories—work in progress	—	—	0.8	—	—
Trade and other receivables	—	0.1	9.5	—	—
Cash and cash equivalents	—	2.8	7.8	—	—
Interest bearing loans and borrowings	—	—	(0.8)	—	—
Trade and other payables	—	(0.1)	(16.7)	—	—
Current tax liabilities	—	—	(2.1)	—	—
Provisions	—	—	(2.9)	—	—
Net assets disposed of	—	2.8	(3.7)	—	—
Consideration	—	0.8	18.3	—	—
Disposal costs	—	—	(1.2)	—	—
(Loss)/profit on disposals	—	(2.0)	20.8	—	—
Continuing operations	—	—	21.2	—	—
Discontinued operations	—	(2.0)	(0.4)	—	—
	—	(2.0)	20.8	—	—
Reconciliation to net cash inflow:					
Consideration	—	0.8	18.3	—	—
less: cash in subsidiaries disposed of	—	(2.8)	(7.8)	—	—
less: disposal costs	—	—	(1.2)	—	—
Net cash inflow arising on disposals	—	(2.0)	9.3	—	—

The income statements for JLIS up to its disposal were as follows:

	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Other income	—	45.6	48.2	63.4	49.8
Operating income	**—**	**45.6**	**48.2**	**63.4**	**49.8**
Cost of sales	—	(34.8)	(37.3)	(44.1)	(42.5)
Gross profit	**—**	**10.8**	**10.9**	**19.3**	**7.3**
Administrative expenses	—	(5.0)	(7.7)	(5.0)	(5.2)
Profit from operations	**—**	**5.8**	**3.2**	**14.3**	**2.1**

9. Finance costs

	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Interest on shareholder loans	(45.2)	(45.2)	(60.3)	(60.3)	(60.3)
Pension and post-retirement medical benefit net interest cost	(6.1)	(5.5)	(7.5)	(7.2)	(6.7)
Unwinding of discount on provisions	—	(0.1)	—	—	(0.6)
Total finance costs	(51.3)	(50.8)	(67.8)	(67.5)	(67.6)

10. Tax

The tax credit/ (charge) for the period comprises:

	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Current tax:					
UK corporation tax charge—current period	—	—	(2.1)	—	—
	—	—	(2.1)	—	—
Deferred tax (charge)/credit	—	(0.1)	(0.2)	0.1	1.0
Tax (charge)/credit on continuing operations	—	(0.1)	(2.3)	0.1	1.0

The tax (charge)/credit for the period can be reconciled to the profit/(loss) in the Combined Group Income Statement as follows:

	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Profit/(loss) before tax on continuing operations	69.3	15.8	74.0	24.3	(25.4)
Tax at the UK corporation tax rate	(14.9)	(3.7)	(17.2)	(6.0)	6.7
Tax effect of dividend income not taxable	—	—	0.1	0.1	0.1
Tax effect of expenses and other similar items that are not deductible	8.2	7.9	11.5	11.6	13.1
Non-taxable movement on fair value of investments	29.5	17.7	31.8	22.3	17.8
Tax attributes of entities held as investments at FVTPL applicable to consolidated entities	(23.8)	(23.5)	(30.4)	(29.7)	(35.3)
Other movements	1.0	1.5	1.9	1.8	(1.4)
Total tax (charge)/credit on continuing operations for the period	—	(0.1)	(2.3)	0.1	1.0

10. Tax (Continued)

For the nine months ended 30 September 2014 a blended tax rate of 21.5% has been applied due to the change in the UK corporation tax rate from 23% to 21% with effect from 1 April 2014 (nine months ended 30 September 2013—23.25%; year ended 31 December 2013—23.25%; year ended 31 December 2012—24.5%; year ended 31 December 2011—26.5%). The UK Government has announced its intention to reduce the main corporation tax rate by 1% to 20% from 1 April 2015.

The main changes in corporation tax rates that have accounting implications for deferred tax are as follows:

- The main rate of corporation tax reduced from 23% to 21% from 1 April 2014.
- The main rate of corporation tax will further reduce to 20% from 1 April 2015.

The Group expects that the majority of deferred tax assets will be realised and the majority of deferred tax liabilities will be settled after 1 April 2015 and therefore the Group has measured its deferred tax assets and liabilities at 30 September 2014 and 31 December 2013 at 20%, those at 30 September 2013 at 23%, those at 31 December 2012 at 23% and those at 31 December 2011 at 25%.

11. Discontinued operations

Certain of the Group's assets and liabilities, which relate to legacy property and construction businesses, are classified as discontinued. The remaining assets and liabilities relate to the settlement of potential liabilities at the time of sale of the legacy businesses.

The results of discontinued operations by sector, which have been included in the Combined Group Income Statement, were as follows:

	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Revenue	—	—	—	0.1	0.1
Cost of sales	—	(0.4)	(0.4)	(3.1)	0.9
Gross (loss)/profit from discontinued Operations	—	(0.4)	(0.4)	(3.0)	1.0
Other operating income	—	—	0.5	1.8	—
Administrative expense	(0.1)	(1.0)	(0.7)	(0.1)	(0.3)
Other losses	—	(0.4)	(0.4)	—	—
(Loss)/profit from discontinued operations	(0.1)	(1.8)	(1.0)	(1.3)	0.7
Finance costs	(0.1)	(0.1)	(0.2)	(0.4)	(0.2)
(Loss)/profit before tax from discontinued operations	(0.2)	(1.9)	(1.2)	(1.7)	0.5
Tax charge on discontinued operations	—	—	(0.1)	(0.4)	(0.1)
(Loss)/profit attributable to discontinued operations after tax	(0.2)	(1.9)	(1.3)	(2.1)	0.4

During the nine months ended 30 September 2014 net cash outflow from operating activities included £0.5 million (30 September 2013 (unaudited)—outflow £0.1 million; 31 December 2013—inflow £0.5 million; 31 December 2012—inflow £0.6 million; 31 December 2011—outflow £0.6 million) in respect of discontinued operations which also used £nil (30 September 2013 (unaudited)—£nil; 31 December 2013—used £1.9 million; 31 December 2012—generated £1.8 million; 31 December 2011—used

11. Discontinued operations (Continued)

£0.04 million) in investing activities. There were no cash flows in financing activities in relation to discontinued operations.

The major classes of assets and liabilities classified as held for sale are as follows:

	30 September 2014	31 December 2013	31 December 2012	31 December 2011
	£ million	£ million	£ million	£ million
Current assets				
Cash and cash equivalents	—	—	1.8	0.8
Other financial assets	—	—	2.9	2.1
Trade and other receivables	—	0.6	—	0.1
Assets classified as discontinued operations	—	0.6	4.7	3.0
Current liabilities				
Provisions	(9.0)	(9.2)	(9.8)	(6.6)
Tax liabilities	(0.1)	(0.6)	(0.5)	—
Trade and other payables	—	—	(0.2)	(0.2)
Liabilities directly associated with assets classified as discontinued operations	(9.1)	(9.8)	(10.5)	(6.8)
Net liabilities classified as discontinued operations	(9.1)	(9.2)	(5.8)	(3.8)

12. Intangible assets

Computer software	30 September 2014	31 December 2013	31 December 2012	31 December 2011
	£ million	£ million	£ million	£ million
Original cost				
At 1 January	3.3	6.1	5.7	4.7
Additions	—	—	0.4	1.0
Disposals	—	(2.8)	—	—
At 30 September/31 December	3.3	3.3	6.1	5.7
Accumulated amortisation				
At 1 January	(2.0)	(3.2)	(2.3)	(1.6)
Charge for the period	(0.4)	(1.6)	(0.9)	(0.7)
Disposals	—	2.8	—	—
At 30 September/31 December	(2.4)	(2.0)	(3.2)	(2.3)
Carrying amount	0.9	1.3	2.9	3.4

13. Plant and equipment

	Plant and machinery	Computer equipment	Office equipment	Total
	£ million	£ million	£ million	£ million
Original cost				
At 1 January 2014	—	2.8	2.7	**5.5**
At 30 September 2014	—	2.8	2.7	**5.5**
Accumulated depreciation				
At 1 January 2014	—	(1.9)	(1.4)	**(3.3)**
Charge for the period	—	(0.5)	(0.3)	**(0.8)**
At 30 September 2014	—	(2.4)	(1.7)	**(4.1)**
Carrying amount at 30 September 2014	—	0.4	1.0	**1.4**
Original cost				
At 1 January 2013	0.6	3.1	2.9	**6.6**
Additions	—	—	0.1	**0.1**
Disposals	(0.6)	(0.3)	(0.3)	**(1.2)**
At 31 December 2013	—	2.8	2.7	**5.5**
Accumulated depreciation				
At 1 January 2013	(0.2)	(1.5)	(1.1)	**(2.8)**
Charge for the year	(0.1)	(0.7)	(0.4)	**(1.2)**
Disposals	0.3	0.3	0.1	**0.7**
At 31 December 2013	—	(1.9)	(1.4)	**(3.3)**
Carrying amount at 31 December 2013	—	0.9	1.3	**2.2**
Original cost				
At 1 January 2012	0.1	1.6	3.0	**4.7**
Additions	0.5	1.6	1.9	**4.0**
Disposals	—	(0.1)	(2.0)	**(2.1)**
At 31 December 2012	0.6	3.1	2.9	**6.6**
Accumulated depreciation				
At 1 January 2012	(0.1)	(1.0)	(2.7)	**(3.8)**
Charge for the year	(0.1)	(0.6)	(0.4)	**(1.1)**
Disposals	—	0.1	2.0	**2.1**
At 31 December 2012	(0.2)	(1.5)	(1.1)	**(2.8)**
Carrying amount at 31 December 2012	0.4	1.6	1.8	**3.8**
Original cost				
At 1 January 2011	—	1.1	2.9	**4.0**
Additions	—	0.5	0.1	**0.6**
At 31 December 2011	—	1.6	3.0	**4.6**
Accumulated depreciation				
At 1 January 2011	—	(0.8)	(2.4)	**(3.2)**
Charge for the year	—	(0.2)	(0.3)	**(0.5)**
At 31 December 2011	—	(1.0)	(2.7)	**(3.7)**
Carrying amount at 31 December 2011	—	0.6	0.3	**0.9**

14. Investments at fair value through profit or loss

	30 September 2014				31 December 2013			
	Project companies	Other investments	Other assets and liabilities	Total	Project companies	Other investments	Other assets and liabilities	Total
	£ million	£million	£million	£million	£ million	£million	£million	£million
Opening balance	645.1	39.7	60.2	**745.0**	538.7	37.2	59.6	**635.5**
Distributions	(13.1)	—	13.1	**—**	(29.8)	(2.2)	32.0	**—**
Investment in equity and loans	51.3	63.5	(114.8)	**—**	117.2	—	(117.2)	**—**
Disposals	(101.6)	(38.9)	140.5	**—**	(110.1)	—	110.1	**—**
Fair value movement	133.4	1.7	2.3	**137.4**	129.1	4.7	3.0	**136.8**
Net cash transferred from investments held at FVTPL	—	—	(40.2)	**(40.2)**	—	—	(27.3)	**(27.3)**
Closing balance	**715.1**	**66.0**	**61.1**	**842.2**	**645.1**	**39.7**	**60.2**	**745.0**

	31 December 2012				31 December 2011			
	Project companies	Other investments	Other assets and liabilities	Total	Project companies	Other investments	Other assets and liabilities	Total
	£ million	£ million	£ million	£ million	£ million	£ million	£ million	£million
Opening balance	458.1	83.2	40.5	**581.8**	478.9	66.5	8.2	**553.6**
Distribution	(33.9)	(4.1)	38.0	**—**	(34.0)	(2.2)	36.2	**—**
Investment in equity and loans	119.7	—	(119.7)	**—**	59.6	15.0	(74.6)	**—**
Disposals	(90.6)	(44.4)	135.0	**—**	(124.9)	—	119.0	**(5.9)**
Fair value movement	85.4	2.5	3.2	**91.1**	78.5	3.9	(15.4)	**67.0**
Net cash transferred from investments held at FVTPL	—	—	(37.4)	**(37.4)**	—	—	(32.9)	**(32.9)**
Closing balance	**538.7**	**37.2**	**59.6**	**635.5**	**458.1**	**83.2**	**40.5**	**581.8**

Nine months ended 30 September 2014

During the nine months ended 30 September 2014, the Group disposed of investments in seven project companies at fair value for total proceeds of £101.6 million in cash. In addition, the Group sold its remaining holding in JLIF on 31 March 2014 for £38.9 million, net of costs of £0.4 million, resulting in a £0.8 million loss included within net gains on investments at fair value through profit or loss.

Project	Date of completion	Original holding	Holding disposed of	Retained holding
		%	%	%
Details of investments in project companies sold in the nine months ended 30 September 2014 were as follows:				
Sold to John Laing Infrastructure Fund Limited				
Duo2 Holdings BV	26 September 2014	40.00	40.00	—
Sold to John Laing Environmental Assets Group				
Amber Solar Parks (Holdings) Limited	3 April 2014	100.00	100.00	—
Bilsthorpe Wind Farm Holdings Limited	3 April 2014	100.00	100.00	—
ELWA Holdings Limited	17 April 2014	80.00	80.00	—
JL Hall Farm Holdings Limited	31 March 2014	100.00	100.00	—
Shanks Dumfries and Galloway Holdings Limited	31 March 2014	80.00	80.00	—
Wind Assets LLP	4 April 2014	100.00	100.00	—

14. Investments at fair value through profit or loss (Continued)

Nine months ended 30 September 2013 and year ended 31 December 2013

During the nine months ended 30 September 2013, the Group disposed of its entire interest in two project companies. In addition, the Group sold 6% of its 30% shareholding in, and its equity commitment to, the IEP (Phase 1) project to an institutional co-investor, effected through the sale of 20% of the Group's 100% interest in Rail Investments (Great Western) Limited. Sales proceeds in the nine months ended 30 September 2013 amounted to £22.0 million received in cash.

During the year ended 31 December 2013, the Group disposed of its entire interest in shares and subordinated debt in five PPP project companies plus part of its shareholding in Rail Investments (Great Western) Limited. Sale proceeds were £110.7 million in cash including proceeds from sale of the Group's shareholding in a joint venture holding company. The fair value of assets disposed of was £110.1 million with movements in fair value to the date of disposal included within net gains on investments at fair value through profit or loss in the Combined Group Income Statement.

Project	Date of completion	Original holding in shares and subordinated debt	Holding disposed of	Retained holding
		%	%	%
Details of investments in project companies sold are as follows:				
Sold to John Laing Infrastructure Fund Limited				
Healthcare Support (North Staffs) Limited	20 December 2013			—
—Shares		75.0	75.0	—
—Subordinated debt		75.0	75.0	—
—Mezzanine debt		42.17	42.17	—
Infusion KVH General Partnership	28 November 2013	50.0	50.0	—
Barnsley BSF:	14 October 2013			—
—Barnsley SPV One Limited		40.0	40.0	
—Barnsley SPV Two Limited		40.0	40.0	
—Barnsley SPV Three Limited		40.0	40.0	
Sold to other parties				
Inteq Services (Holdings) Limited	10 June 2013	50.0	50.0	—
Airtrain Holdings Limited	27 March 2013	6.05	6.05	—
Rail Investments (Great Western) Limited	31 January 2013	100.0	20.0	80.0

Year ended 31 December 2012

During the year ended 31 December 2012, the Group disposed of shares and subordinated debt in five PPP project companies. Sale proceeds were £92.9 million in cash, including £0.3 million received in January 2013. Included within sale proceeds was an amount of £3.2 million for the settlement of outstanding interest at the date of sale. The fair value of assets disposed of was £90.6 million at the date of disposal. The Group also received deferred consideration of £0.6 million in 2012 from the sale of Equipe Regeneration Limited in 2010.

In addition, during the year, the Group reduced its investment in JLIF, selling 14.3 million shares in April 2012 for £15.1 million and a further 28.0 million shares in October 2012 for £29.9 million. Disposal costs

14. Investments at fair value through profit or loss (Continued)

amounted to £0.5 million. The market value of the investment in JLIF at 31 December 2012 was £37.2 million (2011—£83.2 million) and is shown as other investments above.

Project	Date of completion	Original holding in shares and subordinated debt	Holding disposed of	Retained holding
		%	%	%
Details of investments in project companies sold are as follows:				
Sold to John Laing Infrastructure Fund Limited				
Healthcare Support (Newcastle) Holdings Limited	17 May 2012	15.0	15.0	—
Komfort Holdings B.V.	11 October 2012	40.0	40.0	—
John Laing Health (Pembury) Limited	15 October 2012	37.5	37.5	—
Forth Health Holdings Limited	12 October 2012	50.0	50.0	—
Three Valleys Healthcare Holdings Limited	25 April 2012	100.0	100.0	—

Year ended 31 December 2011

During the year ended 31 December 2011, the Group disposed of shares and subordinated debt in 14 PPP project companies and one other company holding shares and subordinated debt in a further six Local Improvement Finance Trust (LIFT) projects. Sale proceeds were £132.2 million of which £126.3 million was received in cash and £5.9 million related to shares and subordinated debt in Services Support (BTP) Limited and Aylesbury Vale Parkway Limited, which were transferred to the John Laing Pension Fund as part of the deficit reduction contribution for 2011. Included within the sales proceeds of £132.2 million was an amount of £6.6 million for the settlement of outstanding interest at the date of sale. The fair value of assets disposed of was £124.9 million at the date of disposal.

Project	Date of completion	Original holding in shares and subordinated debt	Holding disposed of	Retained holding
		%	%	%
Details of investments in project companies sold are as follows:				
Sold to John Laing Infrastructure Fund Limited				
AHA Access Health Abbotsford Ltd	11 November 2011	20.0	20.0	—
Autolink Concessionaires (M6) Plc	07 November 2011	11.0	11.0	—
Citylink Telecommunications Limited	07 November 2011	19.5	19.5	—
Cleveland FM Services Limited	20 May 2011	42.5	42.5	—
The Edinburgh School Partnership Limited	11 November 2011	10.0	10.0	—
Meridian Hospital Company Plc	13 April 2011	12.5	12.5	—
Collaborative Services Support NE Limited	21 November 2011	80.1	80.1	—
Education Support (Enfield 2) Limited	09 December 2011	80.0	80.0	—
Education Support (Enfield) Limited	11 November 2011	100.0	100.0	—
Education Support (Newham) Limited	09 December 2011	80.0	80.0	—
Education Support (Swindon) Limited	16 December 2011	100.0	100.0	—
Regenter Bentilee District Centre Limited	13 April 2011	100.0	100.0	—
Sold to third party				
Primary Plus (Holdings) Limited	18 October 2011	50.0	50.0	—
Transferred to John Laing Pension Fund				
Services Support (BTP) Limited	29 September 2011	100.0	45.83	54.17
Aylesbury Vale Parkway Limited	29 September 2011	100.0	50.0	50.0

15. Trade and other receivables

	30 September 2014	31 December 2013	31 December 2012	31 December 2011
	£ million	£ million	£ million	£ million
Current assets				
Trade receivables	4.3	8.1	8.3	4.9
Other taxation	0.6	0.2	0.2	0.2
Other receivables	2.3	1.3	4.3	6.1
Prepayments and accrued income	1.4	1.1	6.5	4.9
	8.6	10.7	19.3	16.1

In the opinion of the Directors the fair value of trade and other receivables is equal to the carrying value.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	30 September 2014	31 December 2013	31 December 2012	31 December 2011
	£ million	£ million	£ million	£ million
Sterling	7.6	8.3	17.1	13.5
Canadian dollar	0.2	0.4	0.5	0.3
US dollar	0.1	0.2	0.1	0.1
Australian dollar	0.6	1.5	0.4	0.3
Euro	0.1	0.3	1.2	1.9
	8.6	10.7	19.3	16.1

Included in the Group's trade receivables are debtors with a carrying value of £0.5 million (31 December 2013—£0.2 million; 31 December 2012—£3.1 million; 31 December 2011—£1.4 million) which were overdue at the reporting date. The Group has not provided for these debtors as there has not been a significant change in their credit quality since the amounts became overdue, and they are still considered fully recoverable. The Group does not hold any collateral against these balances.

Ageing of overdue but not impaired trade receivables:

	30 September 2014	31 December 2013	31 December 2012	31 December 2011
	£ million	£ million	£ million	£ million
Up to 60 days	0.3	0.2	2.2	1.1
60 - 90 days	—	—	0.4	—
Over 90days	0.2	—	0.5	0.3
	0.5	0.2	3.1	1.4

Included in the Group's trade receivables are debtors with a carrying value of £nil (30 September 2013 (unaudited)—£0.2 million; 31 December 2013—£nil; 31 December 2012—£0.2 million; 31 December 2011—£0.2 million) which were impaired at the reporting date.

16. Trade and other payables

	30 September 2014	31 December 2013	31 December 2012	31 December 2011
	£ million	£ million	£ million	£ million
Current liabilities				
Trade payables	11.0	12.4	21.9	21.3
Other taxation	0.7	0.8	2.4	2.5
Accruals	6.9	7.5	11.7	11.0
Other payables	—	—	0.1	—
Deferred income	0.5	0.4	6.8	12.7
	19.1	21.1	42.9	47.5

17. Interest bearing loans and borrowings

	30 September 2014	31 December 2013	31 December 2012	31 December 2011
	£ million	£ million	£ million	£ million
Current liabilities				
Interest bearing loans and borrowings	967.7	922.6	862.3	801.9

Interest bearing loans and borrowings comprise shareholder loans from Henderson Infrastructure Holdco (Jersey) Limited to Henderson Infrastructure Holdco Limited under two agreements dated:

- 21 December 2006 for the principal amount of £469,761,094 and
- 5 December 2007 for the principal amount of £32,876,000.

The loans are payable upon the earlier of:

(i) 10 business days' written demand from the lender; or

(ii) the final maturity date, 21 December 2021, being 15 years from the date of the first agreement, 21 December 2006.

The loans bear a coupon of 12% per annum (31 December 2013, 2012 and 2011: 12%) and are unsecured.

As the lender has the right to request repayment of the loan with 10 business days, the impact of discounting is not considered to be significant. As a result, the fair value of borrowings is deemed to be equivalent to the carrying amount. The fair values are based on cash flows discounted using a rate based on the borrowing rate of 12% (31 December 2013, 2012 and 2011: 12%).

18. Financial instruments

a) Financial instruments by category

Continuing operations	Loans and receivables	Assets at FVTPL	Financial liabilities at amortised cost	Total
	£ million	£ million	£ million	£ million
Fair value measurement method	**n/a**	**Level 1/Level 3**	**n/a**	
30 September 2014				
Non-current assets				
Investments at fair value through profit or loss*	—	842.2	—	842.2
Current assets				
Trade and other receivables	7.4	—	—	7.4
Cash and cash equivalents	2.9	—	—	2.9
Total financial assets	10.3	842.2	—	852.5

18. Financial instruments (Continued)

Continuing operations	Loans and receivables	Assets at FVTPL	Financial liabilities at amortised cost	Total
	£ million	£ million	£ million	£ million
Current liabilities				
Interest bearing loans and borrowings		—	(967.7)	(967.7)
Trade and other payables	—	—	(17.9)	(17.9)
Total financial liabilities	—	—	(985.6)	(985.6)
Net financial instruments	10.3	842.2	(985.6)	(133.1)
31 December 2013				
Non-current assets				
Investments at fair value through profit or loss*	—	745.0	—	745.0
Current assets				
Trade and other receivables	10.5	—	—	10.5
Cash and cash equivalents	2.3	—	—	2.3
Total financial assets	12.8	745.0	—	757.8
Current liabilities				
Interest bearing loans and borrowings	—	—	(922.6)	(922.6)
Trade and other payables	—	—	(19.9)	(19.9)
Total financial liabilities	—	—	(942.5)	(942.5)
Net financial instruments	12.8	745.0	(942.5)	(184.7)
31 December 2012				
Non-current assets				
Investments at fair value through profit or loss*	—	635.5	—	635.5
Current assets				
Trade and other receivables	19.1	—	—	19.1
Cash and cash equivalents	6.5	—	—	6.5
Total financial assets	25.6	635.5	—	661.1
Current liabilities				
Interest bearing loans and borrowings	—	—	(862.3)	(862.3)
Trade and other payables	—	—	(33.7)	(33.7)
Total financial liabilities	—	—	(896.0)	(896.0)
Net financial instruments	25.6	635.5	(896.0)	(234.9)

18. Financial instruments (Continued)

Continuing operations	Loans and receivables	Assets at FVTPL	Financial liabilities at amortised cost	Total
	£ million	£ million	£ million	£ million
Fair value measurement method	**n/a**	**Level 1/Level 3**	**n/a**	
31 December 2011				
Non-current assets				
Investments at fair value through profit or loss*	—	581.8	—	581.8
Current assets				
Trade and other receivables	15.9	—	—	15.9
Cash and cash equivalents	6.6	—	—	6.6
Total financial assets	22.5	581.8	—	604.3
Current liabilities				
Interest bearing loans and borrowing	—	—	(801.9)	(801.9)
Trade and other payables	—	—	(32.3)	(32.3)
Total financial liabilities	—	—	(834.2)	(834.2)
Net financial instruments	22.5	581.8	(834.2)	(229.9)

The tables in section a) provide an analysis of financial instruments that are measured subsequent to their initial recognition at fair value.

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

There were no transfers between Levels 1 and 2 during each year. There were no transfers out of Level 3.

* The investments at fair value through profit or loss are split between: Level 1, JLEN, which is a listed investment fair valued at £66.0 million (31 December 2013: JLIF—£39.7 million; 31 December 2012: JLIF—£37.2 million; 31 December 2011: JLIF—£83.2 million) using quoted market prices; and Level 3 investments in project companies fair valued at £715.1 million (31 December 2013—£645.1 million; 31 December 2012—£538.7 million; 31 December 2011—£458.1 million). Level 1 and Level 3 investments are fair valued in accordance with policy and assumptions set out in note 2. The investments at fair value through profit or loss include other assets and liabilities as shown in note 14. Such other assets and liabilities are recorded at amortised cost that the Directors believe approximates to their fair value.

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

An analysis of the movement between opening and closing balances of assets at fair value through profit or loss is given in note 14.

The carrying amounts of financial assets and financial liabilities in these financial statements reflect their fair values.

18. Financial instruments (Continued)

b) Foreign currency and interest rate profile of financial assets other than investments held at FVTPL

	Continuing operations			
	30 September 2014 Financial assets Non-interest bearing	31 December 2013 Financial assets Non-interest bearing	31 December 2012 Financial assets Non-interest bearing	31 December 2011 Financial assets Non-interest bearing
	£ million	£ million	£ million	£ million
Currency				
Sterling	8.3	9.8	24.3	18.8
Euro	0.3	0.4	0.1	2.8
Canadian dollar	0.5	0.7	0.5	0.3
US dollar	0.1	0.2	0.1	—
Australian dollar	0.8	1.7	0.5	0.4
New Zealand dollar	0.2	—	—	0.1
Other	0.1	—	0.1	0.1
Total	10.3	12.8	25.6	22.5

c) Foreign currency and interest rate profile of financial liabilities

The Group's financial liabilities at 30 September 2014 were £985.6 million (31 December 2013—£942.5 million; 31 December 2012—£896.0 million; 31 December 2011—£834.2 million), of which £967.7 million (31 December 2013—£922.6 million; 31 December 2012—£862.3 million; 31 December 2011—£801.9 million) related to short-term cash borrowings.

	Continuing operations 30 September 2014 Financial liabilities			Continuing operations 31 December 2013 Financial liabilities		
	Fixed rate	Non-interest bearing	Total	Fixed rate	Non-interest bearing	Total
	£ million	£ million	£ million	£ million	£ million	£ million
Currency						
Sterling	967.7	16.3	984.0	922.6	13.9	936.5
Euro	—	0.4	0.4	—	3.8	3.8
Australian dollar	—	1.2	1.2	—	2.1	2.1
Canadian dollar	—	—	—	—	0.1	0.1
Total	967.7	17.9	985.6	922.6	19.9	942.5

	Continuing operations 31 December 2012 Financial liabilities			Continuing operations 31 December 2011 Financial liabilities		
	Fixed rate	Non-interest bearing	Total	Fixed rate	Non-interest bearing	Total
	£ million	£ million	£ million	£ million	£ million	£ million
Currency						
Sterling	862.3	30.1	892.4	801.9	30.3	832.2
Euro	—	1.5	1.5	—	0.3	0.3
Australian dollar	—	1.1	1.1	—	1.2	1.2
Canadian dollar	—	0.4	0.4	—	0.3	0.3
US dollar	—	0.6	0.6	—	—	—
Other	—	—	—	—	0.2	0.2
Total	862.3	33.7	896.0	801.9	32.3	834.2

19. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange rate risk, interest rate risk and inflation risk), credit risk, price risk, liquidity risk and capital risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

For the parent company and its recourse subsidiaries, financial risks are managed by a central treasury operation which operates within Board approved policies. The various types of financial risk are managed as follows:

Market risk—foreign currency exchange rate risk

As at 30 September 2014 the Group held investments in 13 overseas projects (31 December 2013—11 overseas investments; 31 December 2012—13 overseas investments; 31 December 2011—12 overseas investments). The Group's foreign currency exchange rate risk policy is not to hedge on an individual project basis but to determine and manage the total Group exposure to individual currencies. The Group's exposure to exchange rate risk on its investments is disclosed below.

In addition, the Group policy on managing foreign currency exchange rate risk is to cover significant transactional exposures arising from receipts and payments in foreign currencies, where appropriate and cost effective. There were eleven forward currency contracts open as at 30 September 2014 (31 December 2013—eight; 31 December 2012—two; 31 December 2011—none).

At 30 September 2014, the Group's most significant currency exposure was to the Euro (31 December 2013—Euro; 31 December 2012—Euro; 31 December 2011—Euro).

Foreign currency exposure of investments at fair value through profit or loss:

	30 September 2014				31 December 2013			
	Project companies	Other investments	Other assets and liabilities	Total	Project companies	Other investments	Other assets and liabilities	Total
	£ million	£ million	£ million	£ million				£ million
Sterling	473.2	66.0	(14.5)	524.7	450.3	39.7	59.0	549.0
Euro	150.5	—	—	150.5	142.5	—	1.0	143.5
Australian dollar	36.0	—	74.9	110.9	19.0	—	0.1	19.1
Canadian dollar	—	—	0.2	0.2	—	—	—	—
US dollar	47.9	—	0.2	48.1	24.8	—	—	24.8
New Zealand dollar	7.5	—	0.3	7.8	6.3	—	0.1	6.4
Indian rupee	—	—	—	—	2.2	—	—	2.2
	715.1	66.0	61.1	842.2	645.1	39.7	60.2	745.0

	31 December 2012				31 December 2011			
	Project companies	Other investments	Other assets and liabilities	Total	Project companies	Other investments	Other assets and liabilities	Total
	£ million	£ million	£ million	£ million	£ million	£ million	£ million	£ million
Sterling	387.1	37.2	47.4	471.7	314.8	83.2	38.9	436.9
Euro	90.4	—	0.8	91.2	104.5	—	0.9	105.4
Australian dollar	19.3	—	0.5	19.8	15.7	—	—	15.7
Canadian dollar	13.9	—	0.5	14.4	5.1	—	—	5.1
US dollar	20.0	—	0.1	20.1	16.1	—	0.7	16.8
New Zealand dollar	5.4	—	10.3	15.7	—	—	—	—
Indian rupee	2.6	—	—	2.6	1.9	—	—	1.9
	538.7	37.2	59.6	635.5	458 .1	83.2	40.5	581.8

19. Financial risk management (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date were as follows:

	Assets			
	30 September 2014	31 December 2013	31 December 2012	31 December 2011
	£ million	£ million	£ million	£ million
Canadian dollar	0.5	0.7	0.5	0.3
Euro	0.3	0.4	0.1	2.8
Czech koruna	—	—	—	—
New Zealand dollar	0.2	—	—	0.1
US dollar	0.1	0.2	0.1	—
Australian dollar	0.8	1.7	0.5	0.4
Other	—	—	0.1	0.1
	1.9	3.0	1.3	3.7

	Liabilities			
	30 September 2014	31 December 2013	31 December 2012	31 December 2011
	£ million	£ million	£ million	£ million
Canadian dollar	—	(0.1)	(0.4)	(0.3)
Euro	(0.4)	(3.8)	(1.5)	(0.3)
US dollar	—	—	(0.6)	—
Australian dollar	(1.2)	(2.1)	(1.1)	(1.2)
Other	—	—	—	(0.2)
	(1.6)	(6.0)	(3.6)	(2.0)

The following table details the Group's sensitivity to a 10% increase or decrease in Sterling against relevant foreign currencies. The sensitivity analysis covers outstanding foreign currency denominated monetary items. A negative number below indicates a decrease in profit from operations where the relevant currency weakens by 10% against Sterling (and a positive number indicates an increase in profit from operations). For a 10% strengthening of the relevant currency against Sterling, there would be an equal and opposite impact.

	30 September 2014	31 December 2013	31 December 2012	31 December 2011
	£ million	£ million	£ million	£ million
Canadian dollar	(0.1)	(0.1)	—	—
Euro	—	0.2	0.1	(0.3)
US dollar	—	—	0.1	—
Australian dollar	—	—	0.1	0.1
	(0.1)	0.1	0.3	(0.2)

Investments in project companies are fair valued based on the spot rate at the balance sheet date. As at 30 September 2014, a 10% weakening of the relevant currency against Sterling would decrease the value of investments at fair value through profit or loss by £22.0 million. A 10% strengthening of the relevant currency against Sterling would increase the value by £24.2 million.

Market risk—interest rate risk

The Group's interest rate risk arises due to fluctuations in interest rates which impact on the value of returns from floating rate deposits and expose the Group to variability in interest payment cash flows on variable rate borrowings.

19. Financial risk management (Continued)

The exposure of the Group's financial assets to interest rate risk is as follows:

	30 September 2014				31 December 2013			
	Interest bearing				Interest bearing			
	Floating rate	Fixed rate	Non-interest bearing	Total	Floating rate	Fixed rate	Non-interest bearing	Total
	£ million	£ million	£ million	£ million	£ million	£ million	£ million	£ million
Financial assets								
Investments at FVTPL	—	—	842.2	842.2	—	—	745.0	745.0
Trade and other receivables	—	—	7.4	7.4	—	—	10.5	10.5
Cash and cash equivalents	2.9	—	—	2.9	2.3	—	—	2.3
Financial asset exposure to interest rate risk	2.9	—	849.6	852.5	2.3	—	755.5	757.8

	31 December 2012				31 December 2011			
	Interest bearing				Interest bearing			
	Floating rate	Fixed rate	Non-interest bearing	Total	Floating rate	Fixed rate	Non-interest bearing	Total
	£ million	£ million	£ million	£ million	£ million	£ million	£ million	£ million
Financial assets								
Investments at FVTPL	—	—	635.5	635.5	—	—	581.8	581.8
Trade and other receivables	—	—	19.1	19.1	—	—	15.9	15.9
Cash and cash equivalents	6.5	—	—	6.5	6.6	—	—	6.6
Financial asset exposure to interest rate risk	6.5	—	654.6	661.1	6.6	—	597.7	604.3

An analysis of the movement between opening and closing balances of investments at fair value through profit or loss is given in note 14. The investments in project companies are valued on a discounted cash flow basis. At 30 September 2014, the weighted average discount rate was 9.9% (31 December 2013—9.3%; 31 December 2012—8.6%; 31 December 2011—8.8%). For investment in project companies, changing the discount rate used to value the underlying instruments would alter their fair value. As at 30 September 2014 a 1% increase in the discount rate would reduce the fair value by £78.3 million (31 December 2013—£52.4 million; 31 December 2012—£56.8 million; 31 December 2011—£49.4 million) and a 1% reduction in the discount rate would increase the fair value by £93.1 million (31 December 2013—£61.3 million; 31 December 2012—£67.6 million; 31 December 2011—£58.5 million).

The exposure of the Group's financial liabilities to interest rate risk is as follows:

	30 September 2014			31 December 2013		
	Interest bearing			Interest bearing		
	Fixed rate	Non-interest bearing	Total	Fixed rate	Non-interest bearing	Total
	£ million	£ million	£ million	£ million	£ million	£ million
Interest bearing loans and borrowings	967.7	—	967.7	922.6	—	922.6
Trade and other payables	—	17.9	17.9	—	19.9	19.9
Financial liability exposure to interest rate risk	967.7	17.9	985.6	922.6	19.9	942.5

19. Financial risk management (Continued)

	31 December 2012			31 December 2011		
	Interest bearing			Interest bearing		
	Fixed rate	Non-interest bearing	Total	Fixed rate	Non-interest bearing	Total
	£ million	£ million	£ million	£ million	£ million	£ million
Interest bearing loans and borrowings	862.3	—	862.3	801.9	—	801.9
Trade and other payables	—	33.7	33.7	—	32.3	32.3
Financial liability exposure to interest rate risk	862.3	33.7	896.0	801.9	32.3	834.2

The sensitivity analysis below has been determined based on a 1% increase in floating interest rates prevailing at the relevant period end and a decrease of 1% to a minimum of 0% interest rate. For all floating rate assets and liabilities, the analysis has been prepared assuming the balances have been outstanding for the whole period though, in practice, such balances are subject to fluctuations due to regular settlement and replacement.

	Nine months ended 30 September 2014	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	£ million	£ million	£ million	£ million
Profit before tax				
Increase by 1%	0.7	0.6	0.6	0.4
Decrease by 1% (to a minimum of 0% interest rate)	(0.3)	(0.3)	(0.2)	(0.2)

Market risk—inflation risk

The Group has limited direct exposure to inflation risk, but the fair value of investments is determined by future project revenue and costs which are linked to inflation. This results in the fair value of investments being sensitive to inflation which is often mitigated by the project company entering into inflation swaps.

Credit risk

Credit risk is managed on a Group basis. Credit risk arises from a combination of the value and term to settlement of balances due and payable with counterparties for both financial and trade transactions.

In order to minimise credit risk, cash investments and derivative transactions are limited to financial institutions of a suitable credit quality and counterparties are carefully screened. The Group's cash balances are invested in line with a policy approved by the Board, capped with regard to counter-party credit ratings.

A significant majority of the project companies in which the Group invests receive revenue from government departments, public sector or local authority clients and/or directly from the public for example, via the collection of tolls. As a result, these projects tend not to be exposed to significant credit risk.

Price risk

The Group has limited direct exposure to price risk, with the exception of the investment in JLEN which is valued at the closing market share price. In addition, the fair value of many project companies in which the Group invests is dependent on the receipt of fixed fee income from government departments, public sector or local authority clients. As a result, these projects tend not to be exposed to price risk. The Group holds investments in renewable energy projects whose fair value may vary according to forward energy prices.

19. Financial risk management (Continued)

Liquidity risk

The Group adopts a prudent approach to liquidity management by maintaining sufficient cash and available committed facilities to meet its current and upcoming obligations.

The Group's liquidity management policy involves projecting cash flows in major currencies and assessing the level of liquid assets necessary to meet these. Managing liquidity risk is helped by the relative predictability in both value and timing of cash flows to and from project companies in which the Group invests.

Maturity of financial assets

The maturity profile of the Group's financial assets is as follows:

	Continuing operations			
	30 September 2014 Less than one year	31 December 2013 Less than one year	31 December 2012 Less than one year	31 December 2011 Less than one year
	£ million	£ million	£ million	£ million
Trade and other receivables	7.4	10.5	19.1	15.9
Cash and cash equivalents	2.9	2.3	6.5	6.6
Financial assets (excluding investments at FVTPL)	**10.3**	**12.8**	**25.6**	**22.5**

Other than certain trade and other receivables, as detailed in note 15, none of the financial assets is either overdue or impaired.

The maturity profile of the Group's financial liabilities is as follows:

	30 September 2014	31 December 2013	31 December 2012	31 December 2011
	£ million	£ million	£ million	£ million
In one year or less, or on demand	(985.6)	(942.5)	(896.0)	(834.2)

19. Financial risk management (Continued)

The following table details the remaining contractual maturity of the Group's financial liabilities. The table reflects undiscounted cash flows relating to financial liabilities based on the earliest date on which the Group is required to pay. The table includes both interest and principal cash flows:

	Weighted average effective interest rate %	In one year or less	Total
		£ million	£ million
30 September 2014			
Fixed interest rate instruments- loan and borrowings	12.0	(967.7)	(967.7)
Non-interest bearing instruments*	n/a	(17.9)	(17.9)
		(985.6)	(985.6)
31 December 2013			
Fixed interest rate instruments—loans and borrowings	12.0	(922.6)	(922.6)
Non-interest bearing instruments*	n/a	(19.9)	(19.9)
		(942.5)	(942.5)
31 December 2012			
Fixed interest rate instruments—loans and borrowings	12.0	(862.3)	(862.3)
Non-interest bearing instruments*	n/a	(33.7)	(33.7)
		(896.0)	(896.0)
31 December 2011			
Fixed interest rate instruments—loans and borrowings	12.0	(801.9)	(801.9)
Non-interest bearing instruments*	n/a	(32.3)	(32.3)
		(834.2)	(834.2)

* Non-interest bearing instruments relate to trade and other payables.

Capital risk

The Group seeks to adopt efficient financing structures that enable it to manage capital effectively to achieve the Group's objectives without putting shareholder value at risk. The Group's capital structure comprises its equity (as set out in the Combined Group Statement of Changes in Equity) and its net borrowings.

A committed corporate banking facility of £285.0 million was entered into on 20 February 2013, which increased to £305.0 million on 29 October 2013 and to £353.9 million on 30 September 2014, and can be used either for drawing down loans capped at any one time to £150 million or for issuing letters of credit. The total facility of £353.9 million expires on 20 February 2017. The corporate banking facility is held by John Laing plc, an entity held at FVTPL in the Combined Historical Financial Information, and as a result, loans drawn under the corporate banking facility are included within the line item "investments at fair value through profit or loss" on the Group's combined balance sheet.

Of the letters of credit issued, £242.5 million (31 December 2013—£158.8 million; 31 December 2012—£181.8 million; 31 December 2011—£185.5 million) relate to future capital and loan commitments and £1.0 million (31 December 2013—£1.1 million; 31 December 2012—£5.5 million; 31 December 2011—£1.0 million) relate to performance and bid bonds. In addition to the amounts drawn on the committed facility, £4.6 million (31 December 2013—£nil; 31 December 2012—£1.1 million; 31 December 2011—£1.4 million) in performance bonds were provided by a surety company.

The Group has requirements for both borrowings and letters of credit, which at 30 September 2014 were met by a £353.9 million committed Group corporate banking facility (31 December 2013—£305.0 million;

19. Financial risk management (Continued)

31 December 2012—£324.6 million; 31 December 2011—£324.9 million). The committed facilities are summarised below:

	30 September 2014			
	Total facility	Loans drawn	Letters of credit in issue	Total undrawn
	£ million	£ million	£ million	£ million
Committed corporate banking facility	353.9	53.5	243.5	56.9
Total committed Group facilities (recourse)	**353.9**	**53.5**	**243.5**	**56.9**

	31 December 2013			
	Total facility	Loans drawn	Letters of credit in issue	Total undrawn
	£ million	£ million	£ million	£ million
Committed corporate banking facility	305.0	6.0	159.9	139.1
Total committed Group facilities (recourse)	**305.0**	**6.0**	**159.9**	**139.1**

	31 December 2012		
	Total facility	Letters of credit in issue	Total undrawn
	£ million	£ million	£ million
Committed corporate banking facility (with letter of credit option)	305.0	175.4	129.6
Bilateral letter of credit and financial guarantee facilities	19.6	11.9	7.7
Total committed Group facilities (recourse)	**324.6**	**187.3**	**137.3**

	31 December 2011		
	Total facility	Letters of credit in issue	Total undrawn
	£ million	£ million	£ million
Committed corporate banking facility (with letter of credit option)	305.0	178.6	126.4
Bilateral letter of credit and financial guarantee facilities	19.9	7.9	12.0
Total committed Group facilities (recourse)	**324.9**	**186.5**	**138.4**

20. Deferred tax

The following are the major deferred tax assets and liabilities and movements therein recognised by the Group in the nine months ended 30 September 2014 and years ended 31 December 2013, 31 December 2012 and 31 December 2011:

	Other deductible temporary differences and tax losses recognised
	£ million
Opening asset at 1 January 2011	0.8
Credit to income—prior year	7.3
Charge to income—current year	(6.3)
Closing asset at 31 December 2011	**1.8**
Opening asset at 1 January 2012	1.8
Credit to income—prior year	2.3
Charge to income—current year	(2.2)
Closing asset at 31 December 2012	**1.9**
Opening asset at 1 January 2013	1.9
Charge to income—prior year	(0.1)
Charge to income—current year	(0.1)
Arising on disposals and other movements	(0.2)
Closing asset at 31 December 2013	**1.5**
Opening asset at 1 January 2014	1.5
(Charge)/credit to income—current period	—
Closing asset at 30 September 2014	**1.5**

At 30 September 2014, the Group has unrecognised tax losses of £91.3 million (30 September 2013 (unaudited)—£91.3 million; 31 December 2013—£91.3 million; 31 December 2012—£90.7 million; 31 December 2011—£90.2 million) available for offset against future profits. A deferred tax asset has not been recognised in respect of these losses. Under present tax legislation, these losses may be carried forward indefinitely.

21. Retirement benefit obligations

	30 September 2014	30 September 2013	31 December 2013	31 December 2012	31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Pension plans	(189.6)	(195.5)	(196.8)	(182.6)	(154.2)
Post retirement medical benefits	(7.8)	(7.5)	(7.6)	(7.2)	(6.8)
Retirement benefit obligations	**(197.4)**	**(203.0)**	**(204.4)**	**(189.8)**	**(161.0)**

a) Pension schemes

The Group operates two defined benefit pension schemes in the UK ('the Schemes')—The John Laing Pension Fund ('the Fund') which commenced on 31 May 1957 and The John Laing Pension Plan ('the Plan') which commenced on 6 April 1975. The Fund was closed to future accrual from 1 April 2011. Neither Scheme has any active members, only deferred members and pensioners. The assets of both Schemes are held in separate trustee-administered funds.

UK staff employed since 1 January 2002, who are entitled to retirement benefits, can choose to be members of a defined contribution stakeholder scheme sponsored by the Group in conjunction with Legal and General Assurance Society Limited. Local defined contribution arrangements are available to overseas staff.

21. Retirement benefit obligations (Continued)

The Fund

An actuarial valuation of the Fund was carried out as at 31 March 2013 by a qualified independent actuary, Towers Watson. At that date, the Fund was 75% funded on the technical provision funding basis. This valuation took into account the Continuous Mortality Investigation Bureau projections of mortality. The next triennial actuarial valuation of the Fund is due as at 31 March 2016.

During the nine months ended 30 September 2014 John Laing made deficit reduction contributions of £26.1 million (30 September 2013 (unaudited)—£25.3 million; 31 December 2013—£25.5 million; 31 December 2012—£24.6 million; 31 December 2011—£18.4 million) in cash. In 2011, deficit reduction contributions included PPP investments to the value of £5.9 million. The Company has guaranteed to fund any cumulative shortfall in forecast project yield payments from these PPP investments up until 2017, but considers it unlikely that a net shortfall will arise. This guarantee is consistent with similar guarantees provided in respect of contributions made in the form of PPP investments in prior periods. Under the schedule of contributions, the deficit reduction contribution for 2015 will be £27.0 million and will increase by 3.55% per annum thereafter to 2023, unless agreed otherwise by the Company and the Fund's corporate Trustee, until the deficit has been eliminated.

The liability at 30 September 2014 allows for indexation of deferred pensions and post 5 April 1988 GMP pension increases based on the Consumer Price Index ('CPI').

The Plan

No contributions were made to the Plan in the nine months ended 30 September 2014. At its last actuarial valuation as at 31 March 2014, the Plan had assets of £12.3 million and liabilities of £11.4 million resulting in an actuarial surplus of £0.9 million. The next triennial actuarial valuation of the Plan is due as at 31 March 2017.

An analysis of members is shown below:

30 September 2014	Deferred	Pensioners	Total
The Fund	4,934	3,741	**8,675**
The Plan	118	332	**450**

31 December 2013	Deferred	Pensioners	Total
The Fund	5,094	3,673	**8,767**
The Plan	134	306	**440**

31 December 2012	Deferred	Pensioners	Total
The Fund	5,275	3,599	**8,874**
The Plan	140	298	**438**

31 December 2011	Deferred	Pensioners	Total
The Fund	5,402	3,563	**8,965**
The Plan	142	296	**438**

21. Retirement benefit obligations (Continued)

The weighted average financial assumptions used in the valuation of the Fund and the Plan under IAS 19 at 30 September and 31 December were:

	30 September 2014	31 December 2013	31 December 2012	31 December 2011
	%	%	%	%
Discount rate	4.00	4.50	4.40	5.00
Rate of increase in non-GMP pensions in payment	2.90	3.05	2.70	2.95
Rate of increase in non-GMP pensions in deferment	2.10	2.30	1.80	2.00
Inflation—RPI	3.10	3.30	2.80	2.95
Inflation—CPI	2.10	2.30	2.00	2.00

The value of the Fund deficit is highly dependent upon these assumptions and may vary significantly from period to period. The impact of possible future changes to some of the assumptions is shown below (without taking into account any inter-relationship between the assumptions). In practice, there would be inter-relationships between the assumptions. The analysis has been prepared in conjunction with the Group's actuary.

	(Increase)/decrease in pension liabilities at 30 September 2014 before deferred tax	
	Increase in assumption	Decrease in assumption
	£ million	£ million
0.25% on discount rate	37.0	(39.2)
0.25% on inflation rate	(24.0)	22.4
1 year post retirement longevity	(32.2)	31.9

Mortality

Mortality assumptions at 30 September 2014 and 31 December 2013 were based on the following tables published by the Continuous Mortality Investigation Bureau:

- SAPS normal year of birth tables for staff members with CMI 2013 projections with a long term trend rate of 1% per annum.
- SAPS light year of birth tables for executive members with CMI 2013 projections with a long term trend rate of 1% per annum.

Mortality assumptions at 30 September 2013 were based on the following tables published by the Continuous Mortality Investigation Bureau:

- Mortality before retirement—AM00 and AF00 ultimate mortality table for men and women respectively.
- Mortality after retirement—SAPS normal year of birth tables with medium cohort projections and a minimum improvement of 1% per annum in future longevity of staff members.
- Mortality after retirement—SAPS light year of birth tables with medium cohort projections and a minimum improvement of 1% per annum in future longevity of executive members.

Mortality assumptions at 31 December 2012 and 2011 were based on the following tables published by the Continuous Mortality Investigation Bureau:

- Mortality before retirement—AM00 and AF00 ultimate mortality table for men and women respectively
- Mortality after retirement—SAPS normal year of birth tables with medium cohort projections and a minimum improvement of 1% per annum in future longevity of staff members

21. Retirement benefit obligations (Continued)

- Mortality after retirement—SAPS light year of birth tables with medium cohort projections and a minimum improvement of 1% per annum in future longevity of executive members

The table below summarises the weighted average life expectancy implied by the mortality assumptions used:

	30 September 2014 Years	31 December 2013 Years	31 December 2012 Years	31 December 2011 Years
Life expectancy—for an active/deferred member reaching age 65				
Males	22.9	22.9	22.3	22.3
Females	25.4	25.4	25.1	25.1
Life expectancy—for a 65 year old pensioner				
Males	21.9	21.9	21.3	21.2
Females	24.3	24.3	24.1	24.0

The major categories, fair values and percentages of assets held by the Schemes were as follows:

	30 September 2014		31 December 2013		31 December 2012		31 December 2011	
	£ millions	%	£ millions	%	£ millions	%	£ millions	%
Bond and other debt instruments								
UK corporate bonds	109.4		104.4		154.5		115.1	
UK government gilts	84.9		63.2		4.6		4.4	
UK government gilts—index linked	138.3		126.2		126.6		129.5	
	332.6	40.6	293.8	38.5	285.7	39.6	249.0	36.0
Equity instruments								
UK listed equities	104.1		108.2		69.3		69.4	
European listed equities	19.4		19.3		12.4		12.0	
US listed equities	44.9		38.8		26.1		26.1	
Other international listed equities	71.8		50.1		31.7		30.6	
	240.2	29.2	216.4	28.3	139.5	19.3	138.1	20.0
Aviva bulk annuity buy in agreement	213.3	26.0	207.2	27.1	201.0	27.9	195.7	28.3
Property								
Retail property	2.3		2.3		21.3		23.1	
Commercial property	4.1		5.6		14.8		16.5	
Industrial property	2.1		6.2		17.3		18.8	
	8.5	1.0	14.1	1.8	53.4	7.4	58.4	8.4
Derivatives								
Inflation swaps	0.4		2.9		(3.8)		1.9	
	0.4	—	2.9	0.4	(3.8)	(0.5)	1.9	0.3
Cash and cash equivalents	7.7	0.9	13.2	1.7	16.2	2.2	19.7	2.9
UK PPP assets	18.5	2.3	17.0	2.2	29.7	4.1	28.4	4.1
Total market value of assets	821.2	100.0	764.6	100.0	721.7	100.0	691.2	100.0
Present value of Schemes' liabilities	(1,007.8)		(958.0)		(900.4)		(841.2)	
Deficit in the Schemes	(186.6)		(193.4)		(178.7)		(150.0)	
Less unrecoverable surplus in the Plan	(3.0)		(3.4)		(3.9)		(4.2)	
Net pension liability	(189.6)		(196.8)		(182.6)		(154.2)	

21. Retirement benefit obligations (Continued)

Virtually all equity and debt instruments have quoted prices in active markets (Level 1). Derivatives can be classified as Level 2 instruments and property and PPP investments as Level 3 instruments. It is the policy of the Fund to use inflation swaps to hedge its exposure to inflation risk. The Trustee invests in return seeking assets, such as equity property and PPP investments, whilst balancing the risks of inflation and interest rate movements through the annuity buy-in agreement, inflation swaps and interest rate hedging.

In February 2009, the Fund Trustee entered into a bulk annuity buy-in agreement with Aviva to mitigate the Fund's exposure to changes in liabilities. At 30 September 2014, the underlying insurance policy was valued at £213.3 million (30 September 2013 (unaudited)—£208.3 million; 31 December 2013—£207.2 million; 31 December 2012—£201.0 million; 31 December 2011—£195.7 million), being very substantially equal to the IAS 19 valuation of the related liabilities.

Analysis of amounts charged to operating profit

	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Current service cost*	(1.2)	(0.9)	(1.7)	(1.1)	(2.1)

* The Schemes no longer have any active members. Therefore, under the projected unit method of valuation the current service cost for the Fund will increase as a percentage of pensionable payroll as members approach retirement. The current service cost has been included within administrative expenses.

Analysis of amounts charged to finance costs

	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Interest on Schemes' assets	25.8	23.8	31.6	34.2	38.0
Interest on Schemes' liabilities	(31.6)	(29.0)	(38.8)	(41.1)	(44.3)
Past service cost recognised	—	—	—	—	(0.1)
Net charge to finance costs	(5.8)	(5.2)	(7.2)	(6.9)	(6.4)

21. Retirement benefit obligations (Continued)

Analysis of amounts recognised in Combined Group Statement of Comprehensive Income

	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Return on Schemes' assets (excluding amounts included in interest on Schemes' assets above)	36.8	26.5	30.1	12.3	10.8
Experience loss arising on Schemes' liabilities	(0.3)	(27.5)	(30.7)	0.3	(8.2)
Changes in demographic assumptions underlying the present value of the Schemes' liabilities	—	(12.8)	(5.1)	—	—
Changes in financial assumptions underlying the present value of the Schemes' liabilities	(48.8)	(18.8)	(25.6)	(57.7)	(2.6)
Decrease in unrecoverable surplus	0.4	0.5	0.6	0.3	(0.9)
Actuarial loss recognised in Combined Group Statement of Comprehensive Income	(11.9)	(32.1)	(30.7)	(44.8)	(0.9)

Changes in present value of defined benefit obligations

	30 September 2014	30 September 2013	31 December 2013	31 December 2012	31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Opening defined benefit obligation	(958.0)	(900.4)	(900.4)	(841.2)	(824.6)
Current service cost	(1.2)	(0.9)	(1.7)	(1.1)	(2.1)
Contributions by members	—	—	—	—	(0.1)
Interest cost	(31.6)	(29.0)	(38.8)	(41.1)	(44.3)
Experience loss on Schemes' liabilities	(0.3)	(27.5)	(30.7)	0.3	(8.2)
Changes in demographic assumptions underlying the present value of the Schemes' liabilities	—	(12.8)	(5.1)	—	—
Changes in financial assumptions underlying the present value of the Schemes' liabilities	(48.8)	(18.8)	(25.6)	(57.7)	(2.6)
Benefits paid	32.1	29.7	44.3	40.4	40.8
Past service cost recognised	—	—	—	—	(0.1)
Closing defined benefit obligation	(1,007.8)	(959.7)	(958.0)	(900.4)	(841.2)

21. Retirement benefit obligations (Continued)

The weighted average life of the Fund at the end of the reporting period is 16 years (31 December 2013—16 years; 30 September 2013 (unaudited)—19 years based on actuarial valuation as at 31 March 2010; 31 December 2012—19 years; 31 December 2011—19 years).

	30 September 2014	30 September 2013	31 December 2013	31 December 2012	31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Opening fair value of Schemes' assets	764.6	721.7	721.7	691.2	658.9
Interest on Schemes' assets	25.8	23.8	31.6	34.2	38.0
Return on Schemes' assets (excluding amounts included in interest on Schemes' assets above)	36.8	26.5	30.1	12.3	10.8
Contributions by employer	26.1	25.3	25.5	24.4	24.2
Contributions by members	—	—	—	—	0.1
Administrative costs paid	(1.3)	(0.6)	—	—	—
Benefits paid	(30.8)	(29.1)	(44.3)	(40.4)	(40.8)
Closing fair value of Schemes' assets	821.2	767.6	764.6	721.7	691.2

Analysis of the movement in the deficit during the period

	30 September 2014	30 September 2013	31 December 2013	31 December 2012	31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Opening deficit	(193.4)	(178.7)	(178.7)	(150.0)	(165.7)
Current service cost	(1.2)	(0.9)	(1.7)	(1.1)	(2.1)
Other finance cost	(5.8)	(5.2)	(7.2)	(6.9)	(6.4)
Contributions	26.1	25.3	25.5	24.4	24.2
Actuarial loss*	(12.3)	(32.6)	(31.3)	(45.1)	—
Closing deficit in Schemes	(186.6)	(192.1)	(193.4)	(178.7)	(150.0)
Less unrecoverable surplus in the Plan	(3.0)	(3.4)	(3.4)	(3.9)	(4.2)
Pension deficit	(189.6)	(195.5)	(196.8)	(182.6)	(154.2)

* excluding the decrease in unrecoverable surplus in the Plan.

The cumulative amount of losses recognised in the Combined Group Statement of Changes in Equity is £363.4 million (30 September 2013 (unaudited)—£345.6 million; 31 December 2013—£361.3 million; 31 December 2012—£330.6 million; 31 December 2011—£285.8 million).

21. Retirement benefit obligations (Continued)

History of the weighted average experience gains and losses

	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Difference between actual and expected returns on assets:					
Amount (£ million)	16.0	22.5	30.1	12.3	10.8
% of Schemes' assets	2.0	2.9	3.9	1.7	1.6
Experience (loss)/gain on Schemes' liabilities:					
Amount (£ million)	(0.3)	(27.5)	(30.7)	0.3	(8.2)
% of present value of Schemes' liabilities	—	2.9	3.2	—	1.0
Total amount recognised in the Combined Group Statement of Comprehensive Income (excluding deferred tax):					
Amount (£ million)	(2.1)	(15.0)	(30.7)	(44.8)	(0.9)
% of present value of Schemes' liabilities	0.2	1.6	3.2	5.0	0.1

Amounts for the current period and previous five periods are as follows:

	30 September 2014	30 September 2013	31 December 2013	31 December 2012	31 December 2011	31 December 2010
	£ million	£ million (unaudited)	£ million	£ million	£ million	£ million
Present value of Schemes' liabilities	(1,007.8)	(959.7)	(958.0)	(900.4)	(841.2)	(824.6)
Market value of Schemes' assets	821.2	767.6	764.6	721.7	691.2	658.9
Deficit (after unrecoverable surplus in Plan)	(189.6)	(195.5)	(196.8)	(182.6)	(154.2)	(169.0)
Experience (loss)/gain on Schemes' liabilities	(0.3)	(27.5)	(30.7)	0.3	(8.2)	8.5
% of present value of Schemes' liabilities	—	2.9%	3.2%	—	1.0%	1.0%
Experience gain/(loss) on Schemes' assets	36.8	26.5	30.1	12.3	10.8	26.8
% of Schemes' assets	4.5%	3.5%	3.9%	1.7%	1.6%	4.1%

21. Retirement benefit obligations (Continued)

b) Post retirement medical benefits

The Company provides post retirement medical insurance benefits to 65 former employees. This scheme, which was closed to new members in 1991, is unfunded.

The present value of the future liabilities under this arrangement has been assessed by the scheme actuary, Towers Watson, and has been included in the Combined Group Balance Sheet under retirement benefit obligations as follows:

	30 September 2014	30 September 2013	31 December 2013	31 December 2012	31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Post retirement medical liability—opening	(7.6)	(7.2)	(7.2)	(6.8)	(6.3)
Other finance costs	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Contributions	0.3	0.3	0.4	0.4	0.4
Changes in financial assumptions underlying the present value of the Schemes' liabilities*	(0.2)	(0.3)	(0.5)	(0.5)	(0.6)
Post retirement medical liability—closing	(7.8)	(7.5)	(7.6)	(7.2)	(6.8)

* This amount is an actuarial loss that goes through the Combined Statement of Comprehensive Income.

The annual rate of increase in the per capita cost of medical benefits was assumed to be 4.0% in 2014 and increased to 5.5% per annum from 2015.

Medical cost inflation has a significant effect on the liability reported for this scheme. A 1% change in assumed medical cost inflation would result in the following costs and liability:

	1% increase	1% decrease
	£ million	£ million
Post retirement medical liability at 30 September 2014	(8.6)	(7.0)
Post retirement medical liability at 31 December 2013	(8.4)	(6.9)
Post retirement medical liability at 31 December 2012	(8.1)	(6.5)
Post retirement medical liability at 31 December 2011	(7.6)	(6.2)

22. Provisions

	At 1 January 2014	Unwinding of discount	Charge/(credit) to Combined Group Income Statement	Utilised	At 30 September 2014
	£ million	£ million	£ million	£ million	£ million
Retained liabilities	9.2	0.2	(0.4)	—	9.0
Onerous contracts	0.1	—	(0.1)	—	—
Employee related liabilities	0.1	—	—	—	0.1
Onerous property leases	—	—	2.0	—	2.0
Total provisions	9.4	0.2	1.5	—	11.1
Classified as:					
Continuing operations	0.2				2.1
Discontinued operations (see note 11)	9.2				9.0
Provisions on continuing operations are analysed as:					
Non-current provisions	0.2				2.1
Current provisions	—				—
	0.2				2.1

	At 1 January 2013	Unwinding of discount	On disposal of subsidiaries	Charge/(credit) to Combined Group Income Statement	Utilised	At 31 December 2013
	£ million	£ million	£ million	£ million	£ million	£ million
Retained liabilities	9.8	0.2	(1.6)	1.2	(0.4)	9.2
Onerous contracts	3.0	—	(1.3)	(1.5)	(0.1)	0.1
Employee related liabilities	0.1	—	—	—	—	0.1
Total provisions-	12.9	0.2	(2.9)	(0.3)	(0.5)	9.4
Classified as:						
Continuing operations	3.1					0.2
Discontinued operations (see note 11)	9.8					9.2
Provisions on continuing operations are analysed as:						
Non-current provisions	3.1					0.2
Current provisions	—					—
	3.1					0.2

22. Provisions (Continued)

	At 1 January 2012	Unwinding of discount	Charge/(credit) to Combined Group Income Statement	Utilised	At 31 December 2012
	£ million	£ million	£ million	£ million	£ million
Retained liabilities	6.6	0.3	3.0	(0.1)	9.8
Onerous contracts	7.1	—	(4.3)	0.2	3.0
Employee related liabilities	0.1	—	—	—	0.1
Total provisions	13.8	0.3	(1.3)	0.1	12.9
Classified as:					
Continuing operations	7.2				3.1
Discontinued operations (see note 11)	6.6				9.8
Provisions on continuing operations are analysed as:					
Non-current provisions	7.2				3.1
Current provisions	—				—
	7.2				3.1

	At 1 January 2011	Unwinding of discount	Charge/(credit) to Combined Group Income Statement	Utilised	At 31 December 2011
	£ million	£ million	£ million	£ million	£ million
Retained liabilities	7.9	0.4	(0.7)	(1.0)	6.6
Onerous contracts	8.3	0.6	(1.8)	—	7.1
Employee related liabilities	0.1	—	—	—	0.1
Total provisions	16.3	1.0	(2.5)	(1.0)	13.8
Classified as:					
Continuing operations	8.4				7.2
Discontinued operations (see note 11)	7.9				6.6
Provisions on continuing operations are analysed as:					
Non-current provisions	8.4				7.2
Current provisions	—				—
	8.4				7.2

Provisions for retained liabilities relate to disposed businesses, £9.0 million of which relates to the sale of Laing Construction in 2001 (31 December 2013—£9.2 million; 31 December 2012—£9.8 million; 31 December 2011—£6.6 million). These amounts are assessed regularly on a contract by contract basis and are expected to be utilised over the next few years. There was an additional provision of £1.5 million at 31 December 2012 (31 December 2011—£1.2 million) which has reduced to £nil following the disposal of the Group's captive insurance business in August 2013.

Provision for onerous property leases of £2.0m (31 December 2013, 31 December 2012 and 31 December 2011—£nil) relates to the lease of the head office at 1 Kingsway, London. The provision recognised represents the present value as at 30 September 2014 of future rental payments over the term of the lease, net of any expected sub-let income. The future rental payments, net of sub-let income, are discounted to present value at 2.09% to take into account the timing of these payments.

23. Share capital

	30 September 2014	31 December 2013	31 December 2012	31 December 2011
	No.	No.	No.	No.
Authorised:				
Henderson Infrastructure Holdco (UK) Limited				
Ordinary shares of 0.000001 pence each	100,000,000	100,000,000	100,000,000	100,000,000
Henderson Infrastructure Holdco Limited				
Ordinary shares of 0.00001 pence each .	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
	£ million	£ million	£ million	£ million
Allotted, called up and fully paid:				
Henderson Infrastructure Holdco (UK) Limited				
100,000,000 ordinary shares of 0.000001 pence each	—	—	—	—
Henderson Infrastructure Holdco Limited				
3,561,933 ordinary shares at 0.0001 pence each	—	—	—	—
Total	—	—	—	—

24. Share premium

The share premium arose in June 2010 when loan notes, which previously funded Henderson Infrastructure Holdco Limited were capitalised and cancelled as part of a restructuring of Henderson Infrastructure Holdco Limited. As part of this transaction Henderson Infrastructure Holdco Limited issued 2,561,933 ordinary shares of 0.0001 pence each at a premium of £151.

25. Net cash outflow from operating activities

	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Profit before tax	69.3	15.8	74.0	24.3	(25.4)
Adjustments for:					
Finance costs	51.3	50.8	67.8	67.5	67.6
Discontinued operations' cash flows	(0.9)	(0.1)	0.7	0.6	0.6
Unrealised profit arising on changes in fair value of investments in project companies (note 14)	(137.4)	(76.1)	(136.8)	(91.1)	(67.0)
Other gains and losses (note 8)	—	—	(21.2)	—	—
Depreciation of plant and equipment	0.8	0.9	1.2	1.1	0.5
Amortisation of intangible assets	0.4	0.7	1.6	0.9	0.7
Contribution to pension fund	(26.1)	(25.3)	(25.5)	(24.4)	(18.4)
Increase/(decrease) in provisions	1.9	(1.6)	(1.6)	(4.1)	(1.8)
Operating cash outflow before movements in working capital	(40.7)	(34.9)	(39.8)	(25.2)	(43.2)
(Increase)/decrease in trade and other receivables	2.9	(0.5)	(6.0)	(3.4)	11.8
Increase/(decrease) in trade and other payables	(1.4)	(6.7)	(1.2)	(3.8)	(7.0)
Cash outflow from operations	(39.2)	(42.1)	(47.0)	(32.4)	(38.4)
Income taxes received	—	—	—	—	—
Net cash outflow from operating activities	(39.2)	(42.1)	(47.0)	(32.4)	(38.4)

26. Reconciliation of cash and cash equivalents to the Combined Group Cash Flow Statement

	30 September 2014	31 December 2013	31 December 2012	31 December 2011
	£ million	£ million	£ million	£ million
Cash and cash equivalents in the Combined Group Balance Sheet	2.9	2.3	6.5	6.6
Cash and cash equivalents in classified as held for sale (note 11)	—	—	1.8	0.8
Cash and cash equivalents in the Combined Group Cash Flow Statement	2.9	2.3	8.3	7.4

27. Guarantees, contingent assets and liabilities and other commitments

At 30 September 2014 the Group had future equity and loan commitments of £290.8 million (31 December 2013—£166.7 million; 31 December 2012—£192.1 million; 31 December 2011—£185.5 million) in PPP projects that are backed by letters of credit of £242.5 million and collateralised cash of £48.3 million.

As stated in note 21 a) the Company provides guarantees in respect of PPP investments transferred to JLPF in settlement of prior annual contribution obligations.

The Group has given guarantees to lenders of a normal trading nature, including performance bonds, some of which may be payable on demand.

27. Guarantees, contingent assets and liabilities and other commitments (Continued)

Claims arise in the normal course of trading which in some cases involve or may involve litigation. Full provision has been made in these accounts for all amounts which the Directors consider will become payable on account of such claims.

For the relevant year or period end, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases on land and building, falling due as follows:

	30 September 2014 Total	31 December 2013 Total	31 December 2012 Total	31 December 2011 Total
	£million	£million	£million	£million
Within one year	1.4	1.7	1.4	1.3
In the second to fifth year inclusive	5.5	5.6	4.6	0.5
After five years	7.5	9.2	16.1	20.1
	14.4	16.5	22.1	21.9

28. Transactions with related parties

Group

Details of transactions between the Group and other related parties are disclosed below.

Trading transactions

The Group entered into the following trading transactions with project companies:

	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Services income*	5.7	15.3	20.6	42.2	30.9
Amounts owed by project companies	1.5	3.9	5.1	4.1	2.5
Amounts owed to project companies	(0.6)	(0.9)	(0.8)	(1.2)	(1.3)

* services income is generated from project companies through facilities management contracts, management services agreements and recoveries of bid costs on financial close.

Investment transactions

	30 September 2014	30 September 2013	31 December 2013	31 December 2012	31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Dividend income	0.2	0.2	0.3	0.3	0.3
Net cash transferred from investments at FVTPL (note 14)	40.2	40.4	27.3	37.4	32.9

Transactions with other related parties

In prior years, the Group transferred ownership of certain interests in PPP investments to JLPF as partial consideration for agreed deficit reduction contributions. More details are set out in note 21.

The Group has shareholder loans from its parent company Henderson Infrastructure Holdco (Jersey) Limited. For further details see note 17.

28. Transactions with related parties (Continued)

Remuneration of key management personnel

The remuneration of the Directors of John Laing plc, who were the key management personnel of the Group for the period of the Historical Financial Information, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures:

	Nine months ended 30 September 2014	Nine months ended 30 September 2013	Year ended 31 December 2013	Year ended 31 December 2012	Year ended 31 December 2011
	£ million	£ million (unaudited)	£ million	£ million	£ million
Cash basis					
Short-term employee benefits	2.3	1.5	2.0	2.0	2.0
Post-employment benefits	0.2	0.2	0.3	0.3	0.2
Termination benefits	1.0	—	—	—	0.7
Cash payments under long-term incentive plans	0.8	0.7	0.7	0.7	0.6
	4.3	2.4	3.0	3.0	3.5
Award basis					
Short-term employee benefits	2.3	1.6	2.1	2.0	1.9
Post-employment benefits	0.2	0.2	0.3	0.3	0.2
Termination benefits	—	—	—	—	0.7
Maximum award under long-term incentive plans	1.0	0.6	0.8	0.9	1.0
	3.5	2.4	3.2	3.2	3.8

In addition to the above amounts, £nil million (30 September 2013 (unaudited)—£nil; 31 December 2013—£0.1 million; 31 December 2012—£0.1 million; 31 December 2011—£nil) was paid to Nalon Management Services Limited, of which Phil Nolan is a director.

29. Events after balance sheet date

In preparation for Admission, the Company and other members of the Group have undertaken a restructuring (the "Reorganisation") exercise. This process included the following key steps:

- the entire share capital of Henderson Infrastructure Holdco Ltd was transferred from Henderson Infrastructure Holdco (Jersey) Limited to the Company;
- the Group shareholder loans, as detailed in Note 17, were part waived and part transferred from Henderson Infrastructure Holdco (Jersey) Limited to the Company and capitalised; and
- all Service Companies within the Group structure were transferred to become direct subsidiaries of the Company.

The company also registered as a public company in England and Wales on 28 January 2015 and renamed itself to John Laing Group plc.

On 4 December 2014, the Group entered into an agreement with the trustee of JLPF to transfer, on Admission, certain interests in project companies and the Group's shareholding in JLEN, with an aggregate value of £100 million to reduce the Group's outstanding pension liability and future contributions.

On 19 January 2015, the Company and certain of its subsidiaries entered into a facilities agreement providing for £350 million senior unsecured bank facilities (the "Facilities Agreement"). The maturity date of the term facilities is 9 March 2020. Under the Facilities Agreement, the Group will have the ability to utilise the facilities in various currencies and also for ancillary facilities (including for letters of credit and guarantees) subject to agreement with the relevant lenders. The facilities carry interest at a margin of

29. Events after balance sheet date (Continued)

between 2.5% and 3.25% over LIBOR dependent on the level of gearing. The proceeds of the facility will be used to repay the Group's existing corporate banking facility immediately prior to Admission.

Since 30 September 2014, the Group has completed the following disposals. The total cash impact of these transactions was £71.2 million.

- On 1 October 2014, John Laing disposed of all its shares in the Metropolitan Police SEL project to JLIF (pursuant to an agreement with JLIF dated 11 September 2014).
- In November 2014, Croydon Council exercised its right to acquire 100 per cent of John Laing 's interest in the Croydon BWH project. On 5 December 2014, John Laing agreed to contribute the proceeds to JLPF.
- On 5 December 2014, John Laing disposed of all its shares in Kinnegar.
- On 11 December 2014, John Laing sold down 50 per cent of its investment commitment in New Perth Stadium.
- On 19 December 2014, John Laing disposed of all its shareholding in the Surrey Street Lighting and Kirklees Housing projects to JLIF.

30. Disclosure—service concession arrangements

The Group has investments in project companies within investments at fair value through profit or loss (see note 14). The majority of these project companies are subject to service concession arrangements in the Social Infrastructure, Transport and Environmental sectors. The concessions vary as to the extent of their obligations but typically require the construction and operation of an asset during the concession period. The concessions may require the acquisition or replacement of an existing asset or the construction of a new asset. The operation of the assets may include the provision of major maintenance and facilities management services. Typically at the end of concession periods the assets are returned to the concession owner; however, on three of the investments held at 30 September 2014 the project company has a right to retain the concession asset.

The rights of the concession owner and concession operator are stated within the project agreements. The rights of the concession owner include provisions to terminate the concession for poor performance of the contract by the operator or in the event of force majeure. The rights of the operator to terminate include the failure of the provider to make payment under the agreement, a material breach of contract and relevant changes of law which would render it impossible for the operator to fulfil its requirements.

30. Disclosure—service concession arrangements (Continued)

Details of the services concession arrangements in project companies as at 30 September 2014 are as follows:

					Period of concession			
Sector	**Company name**	**Project Name**	**% owned**	**Short description of concession arrangement**	**Start Date**	**End Date**	**No. Years**	**Obligations to property, plant and equipment**
Social Infrastructure								
Hospitals	Alder Hey (Special Purpose Vehicle) Limited	Alder Hey in the Park	40%	Design, build, finance and operate new hospital in Liverpool.	01/07/2015	30/06/2045	30	Construction of new hospital costing £167 million.
	Healthcare Support (Erdington) Limited	North Birmingham MHH	100%	Design, build, finance and operate mental health facilities in Birmingham.	15/08/2000	31/03/2037	37	Refurbishment and construction at the All Saints & Highcroft Hospital costing £12 million.
	SA Health Partnership Nominees Pty Limited	New Royal Adelaide Hospital	17.26%	Design, build, finance and operate new hospital in Adelaide, South Australia.	06/11/2011	05/06/2046	35	Construction of new hospital costing AUD $1,850 million.
Justice and Emergency Services	Services Support (BTP) Limited	British Transport Police	54.17%	Design, build, finance and operate one office and operate a further six BTP premises.	26/03/1999	28/02/2022	23	Construction costing £2 million.
	Services Support (Cleveland) Limited	Cleveland Firearms	27.08%	Design, build, finance and operate firearms training facility in Cleveland.	18/04/2000	31/03/2026	26	Construction costing £6 million.
	Services Support (SEL) Limited	Metropolitan Police SEL	25%	Design, build, finance and operate four police stations in South East London.	26/10/2001	16/01/2029	27	Construction costing £80 million.
	Securefuture Wiri Limited	Auckland South Corrections Facility	30%	Design, build, finance and operate a 960 place prison at Wiri, South Auckland	11/09/2012	17/05/2040	28	Construction costing NZD $270 million.
Defence	Defence Support (St Athan) Limited	DARA Red Dragon	100%	Design, build and finance aircraft maintenance facilities at RAF St. Athan.	01/08/2003	17/12/2019	16	Construction costing £89 million.
Regeneration	Inspiral Oldham Limited	Oldham Housing	95%	Refurbish, finance and operate social housing in Oldham.	30/11/2011	30/11/2036	25	Construction costing £68.1 million.
	JLW Excellent Homes for Life Limited	Kirklees Housing	80%	Refurbish, finance and operate social housing in Kirklees.	20/12/2011	30/09/2034	23	Construction costing £66.2 million.
	Regenter Myatts Field North Limited	Lambeth Housing	50%	Build and refurbish, finance and operate social housing in Lambeth.	04/05/2012	04/05/2037	25	Construction costing £72.6 million.
Sports facility	Westadium Project Co Pty Limited	New Perth Stadium	100%	Design, build, finance, maintenance and operation of new Perth Stadium in the Australia.	21/08/2014	31/12/2042	28	Total expenditure of AUD 1.0 billion.
Transport								
Roads	CountyRoute (A130) plc	A130	100%	Design, build, finance and operate the A130 bypass linking the A12 and A127 in Essex.	01/02/2000	31/01/2030	30	New build at a cost of £76 million.
	Gdansk Transport Company SA	A1 Gdansk Poland	29.69%	Design, build, finance and operate the A1 Motorway in Poland in two phases.	31/08/2004	24/08/2039	35	New build at a cost of €651 million for phase 1 and €900 million for phase 2.
	I-4 Mobility Partners Op Co LLC	1-4 Ultimate	50%	Design, build, finance and operate 21 miles of the I-4 Motorway in USA	04/09/2014	03/09/2054	40	New build at a cost of USD 2.32 billion
	Severn River Crossing Plc	Severn River Crossing	35%	Design, build, finance and operate a second crossing over the Severn River plus operate and maintain existing crossing.	26/04/1992	No later than 26/04/2022	The earlier of 30 years or until a pre-determined level of revenue achieved	Cost approximately £320 million.

30. Disclosure—service concession arrangements (Continued)

					Period of concession			
Sector	Company name	Project Name	% owned	Short description of concession arrangement	Start Date	End Date	No. Years	Obligations to property, plant and equipment
	MAK Mecsek Autopalya Koncesszios Zrt.	M6 Hungary	30%	Design, construction, refurbishment, operation, maintenance and financing of 48 km section of M6 expressway and 32 km of M60 expressway.	01/04/2010	31/10/2037	28	Build and maintain new expressways at a cost of €886 million.
	UK Highways A55 Limited	A55	50%	Design, build, finance and operate the A55, a trunk road running across the island of Anglesey.	16/12/1998	15/12/2028	30	Build new trunk road and maintain existing Menai and Britannia bridges at a cost of £102 million.
	A1 Mobil GmbH & Co. KG	A1 Germany	42.5%	Construct and operate the A1 Autobahn between Bremen and Hamburg in Germany.	04/08/2008	31/08/2038	30	New build at a cost of €417.1 million.
	A-Lanes A15 B.V.	A15 Netherlands	28%	Design, build, finance and maintain the A15 highway south of Rotterdam (about 40 km).	04/01/2010	03/01/2028	25	Extension of road at construction value of €727 million. Maintenance for 20 years costing in total €204 million (real).
	Dhule Palesner Tollway Limited	NH3 Road India	36%	Design, engineering, finance, construction, development, operation and maintenance of a 96.5 km four-lane highway from Maharashtra-Madhya Pradesh Border to Dhule section of the National Highway 3.	04/01/2010	03/01/2028	18	Build and maintain highway at a cost of INR 1,415 Cr (£200 million).
Rail	City Greenwich Lewisham Rail Link plc	City Greenwich Lewisham (DLR)	52%	Construction and operation of infrastructure on Lewisham extension of the Docklands Light Railway (DLR).	01/10/1996	31/03/2021	25	Build 4.2 km extension of the DLR from Isle of Dogs to Lewisham, including boring of tunnels beneath the Thames at a cost of £205 million.
	Aylesbury Vale Parkway Limited	Aylesbury Vale Parkway	50%	Construction and operation of the Aylesbury Vale Parkway Station.	17/08/2007	13/12/2028	21	Construction costing £15.5 million (of which £11.0 million Council-funded) and maintenance over 20 years.
	John Laing Rail Infrastructure Limited	Coleshill Parkway	100%	Construction and operation of the Coleshill Parkway Station.	10/03/2006	18/08/2027	21	Construction costing £7.1 million (of which £5 million Council-funded) and maintenance over 20 years.
	Denver Transit Partners LLC	Denver Eagle P3	45%	Design, build, finance, maintenance and operation of passenger rail systems in Denver, Colorado.	12/08/2010	31/12/2044	34	Construction costing US$1.27 billion consisting of 35 miles of commuter train lines including a commuter rail maintenance facility and rail cars.
	Agility Trains West Limited	IEP (Phase 1)	24%	Delivery and maintenance of intercity train services on the Great Western Main Line (UK) using a fleet of new Super Express Trains and maintenance facilities.	25/01/2012	28/11/2044	33	Construction costing £1.8 billion over 6 years and maintenance costing £65 million per annum over 27.5 years.

30. Disclosure—service concession arrangements (Continued)

					Period of concession			
Sector	**Company name**	**Project Name**	**% owned**	**Short description of concession arrangement**	**Start Date**	**End Date**	**No. Years**	**Obligations to property, plant and equipment**
	Agility Trains East Limited	IEP (Phase 2)	30%	Delivery and maintenance of intercity train services on the East Coast Main Line (UK) using a fleet of new Super Express Trains and maintenance facilities.	15/04/2014	22/02/2046	32	Construction costing £1.6 billion over 6 years and maintenance costing £77 million per annum over 27.5 years.
	NGR Project Company Pty Limited	New Generation Rollingstock	40%	Provision and maintenance of 75 new six-car trains for Queensland Rail, Australia.	14/01/2014	15/01/2046	32	Construction phase costing AUS$1.8 billion.
Street Lighting . . .	Surrey Lighting Services Limited	Surrey Street Lighting	50%	Installation and maintenance of street lighting.	27/11/2009	28/02/2035	25	Replacement column programme costing £78.6 million.
	Croydon and Lewisham Lighting Services Limited	Croydon & Lewisham Street Lighting	50%	Installation and maintenance of street lighting.	19/04/2011	31/07/2036	25	Replacement column programme costing £74.2 million.
Environmental								
Waste water treatment	Coastal Clearwater Limited	Kinnegar	50%	Design, build, finance and operate an upgrade to a waste treatment plant in Belfast.	30/04/1999	30/04/2024	25	Upgrade at a cost of £12 million.
Waste	INEOS Runcorn (TPS) Limited	Manchester Waste TPS Co	37.43%	Design, build, finance and operate a waste CHP plant in Runcorn.	08/04/2009	07/04/2034	25	New waste CHP plant construction costing £233 million.
	Viridor Laing (Greater Manchester) Limited	Manchester Waste VL Co	50%	Design, build and commission 42 facilities comprising waste processing and recycling services in the Greater Manchester area.	08/04/2009	07/04/2034	25	New waste processing facilities with construction costing £401 million.

31. Principal investments and group service companies

Consolidated subsidiaries

John Laing Projects & Developments Limited
Property management company

John Laing Services Limited
Management of retained construction liabilities

John Laing Capital Management Limited
Investment management company

Laing Investments Management Services (Australia) Limited
Management, staff and administrative services
—operating in Australia

John Laing (USA) Limited
Management, staff and administrative services
—operating in the USA

Laing Investments Management Services Limited
Management, staff and administrative services

Laing Investments Management Services (Canada) Limited
Management, staff and administrative services
—operating in Canada

Laing Investments Management Services (Singapore) Limited
Management, staff and administrative services

Laing Investments Management Services (Netherlands) Limited
Management, staff and administrative services
—operating in the Netherlands

Laing Investments Management Services (New Zealand) Limited
Management, staff and administrative services
—operating in New Zealand

31. Principal investments and group service companies (Continued)

Investment entity subsidiaries

John Laing plc
Holding company for investments

John Laing Investments Limited
Holding company for investments

John Laing Investments Overseas Holdings Limited
Holding company for overseas investments

John Laing Social Infrastructure Limited
Holding company for accommodation investments

Laing Property Limited
Holding company for property development company

Croydon PSDH Holdco Limited
Holding company for PPP accommodation operator

John Laing Cambridge Limited
Holding company for property development company

John Laing Projects & Developments (Holdings) Limited
Holding company for rail related assets and property developments

John Laing Projects & Developments (Croydon) Limited
Holding company for Croydon property developments

Laing Investment Company Limited
Property development company

John Laing Infrastructure Limited
Holding company for roads investments

Croydon PSDH Holdco 2 Limited
Holding company for PPP accommodation operator

John Laing Investments New Zealand Holdings Limited
Holding company for investments in New Zealand

Overseas

John Laing Investments Perth Stadium BV
Holding company for investment

John Laing Investments NGR BV
Holding company for investment

John Laing Investments Netherlands Holdings BV
Holding company for overseas investments

John Laing Investments NRAH BV
Holding company for investment

John Laing I-4 Holdco Corp
Holding company for investment

Project Companies

United Kingdom

Agility Trains West Limited
Ordinary shares of £1 (24%)
Delivery of intercity train services
Financial year end 31 March

Agility Trains East Limited
Ordinary shares of £1 (30%)
Delivery of intercity train services
Financial year end 31 March

Alder Hey (Special Purpose Vehicle) Limited
Ordinary shares of £1 (40%)
PPP accommodation operator

Aylesbury Vale Parkway Limited
Ordinary shares of £1 (50%)
Development and operation of rail infrastructure assets

Burton Wold Extension Limited
Renewable energy developer

Branden Solar Parks Limited
Renewable energy developer

Carscreugh Renewable Energy Park
Renewable energy developer

City Greenwich Lewisham Rail Link plc
Ordinary shares of £1 (52%)
Light rail concession operator

Coastal Clearwater Limited
Ordinary shares of £1 (50%)
PPP wastewater treatment plant operator in Northern Ireland
Financial year end 31 March

CCURV LLP
Limited Liability Partnership (50%)
Property development

Dreachmhor Wind Farm Limited
Renewable energy developer

Defence Support (St Athan) Limited
PPP accommodation operator

Forum Cambridge LLP
Limited Liability Partnership (50%)
Project development

Healthcare Support (Erdington) Limited
PPP accommodation operator

INEOS Runcorn (TPS) Limited
Ordinary shares of £1 (37.43%)
PPP waste management operator

Inspiral Oldham Limited
Ordinary shares of £1 (95%)
PPP accommodation operator

JLW Excellent Homes for Life Limited
Ordinary shares of £1 (80%)
PPP accommodation operator

John Laing (Croydon Development Company) LLP
PPP accommodation operator

31. Principal investments and group service companies (Continued)

CountyRoute (A130) Plc
Road concession operator

Croydon and Lewisham Lighting Services Limited
Ordinary shares of £1 (50%)
Street lighting concession operator

New Albion Wind Ltd
Renewable energy developer

Regenter Myatts Field North Limited
Ordinary shares of £1 (50%)
PPP accommodation operator

Services Support (BTP) Limited
Ordinary shares of £1 (54.17%)
PPP accommodation operator

Services Support (Cleveland) Limited
Ordinary shares of £1 (27.08%)
PPP accommodation operator

Services Support (SEL) Limited
Ordinary shares of £1 (25%)
PPP accommodation operator

Viridor Laing (Greater Manchester) Limited
Ordinary shares of £1 (50%)
PPP waste management operator

Wear Point Wind Limited
Ordinary shares of £1
Renewable energy developer

John Laing Rail Infrastructure Limited
Development and operation of rail infrastructure assets

Laing/Gladedale (Hastings) Limited
Ordinary shares of £1 (50%)
Property development company

Laing/Gladedale (St Saviours) Limited
Ordinary shares of £1 (50%)
Property development company

Severn River Crossing Plc
Ordinary shares of £1 (35%)
Toll bridge concessionaire

Speyside Renewable Energy Partnership Hold Co Limited
Ordinary B shares of £0.001 (23.43%)
Renewable energy developer

Surrey Lighting Services Limited
Ordinary shares of £1 (50%)
Street lighting concession operator

UK Highways A55 Limited
Ordinary shares of £1 (50%)
Road concession operator
Financial year end 31 March

UK Highways Limited
Ordinary shares of £1 (25 pence paid up) (50%)
Management of road concession operator
Financial year end 31 March

Overseas

A1 Mobil GmbH & Co. KG
Shares of €1 (42.5%)
Road concession operator—operating in Germany

A-Lanes A15 B.V.
Shares of €1 (28%)
PPP road concession operator—operating in the Netherlands

Denver Transit Partners LLC
Limited Liability Corporation (45%)
PPP rail concession operator—operating in the USA

Dhule Palesner Tollway Limited
Ordinary shares of 10 rupees each (36%)
Road concession operator—operating in India

Gdansk Transport Company SA
B series shares PLN10 each (29.69%)
C series shares PLN10 each (29.69%)
Road concession operator—operating in Poland

I-4 Mobility Partners Op Co LLC
Limited Liability Corporation (50%)
Road concession operator—operating in the USA

Westadium Project Co Pty Limited
Stadium concession operator—operating in Australia

NGR Project Company Pty Limited
Shares of AUD 1 (40%)
Delivery of train services—operating in Australia

MAK Mecsek Autopalya Koncesszios Zrt.
A series ordinary shares €100 (30%)
Road concession operator—operating in Hungary

SA Health Partnership Nominees Pty Limited
Shares of AUD 1 (17.26%)
Hospital concession operator—operating in Australia

Securefuture Wiri Limited
Shares of NZD 1 (30%)
PPP accommodation operator—operating in New Zealand

SPC Management Services B.V.
Shares of €1 (33.33%)
Management services to projects in the Netherlands

Rammeldalsberget Vindkraft AB
Renewable energy developer in Sweden

Svartvallsberget SPW AB
Renewable energy developer in Sweden

Listed investments

John Laing Environmental Assets Group Limited
Ordinary shares of 0.01pence (39.7%)
Registered in Guernsey
Financial year end 31 March

Except where indicated, all companies are wholly owned, have 31 December year ends, are incorporated in Great Britain and registered in England and Wales, Scotland or Northern Ireland, and operate mainly in the country of incorporation.

PART 12
UNAUDITED COMBINED PRO FORMA FINANCIAL INFORMATION

Section A—Pro forma financial information

The unaudited combined pro forma statement of net assets set out below has been prepared to illustrate the effects of:

1) the Offer on the net assets of the Group, had the Offer taken place on 30 September 2014;
2) the Reorganisation (as defined in paragraph 1.11 of Part 14 "Additional Information") on the net assets of the Group, had the Reorganisation taken place on 30 September 2014;
3) the transfer of assets to JLPF (as described in paragraph 10.3 of Part 14 "Additional Information") had the transfer taken place on 30 September 2014; and
4) the refinancing of the Group's existing corporate banking facility with borrowings under the Group's new banking facilities (the "Facilities Agreement", as detailed in paragraph 10.7 of Part 14 "Additional Information") on the net assets of the Group, had the refinancing taken place on 30 September 2014.

The unaudited combined pro forma statement of net assets is based on the combined balance sheet of the Group as at 30 September 2014 contained in Section B of Part 11 "Combined Historical Financial Information". The unaudited combined pro forma statement of net assets has been prepared in a manner consistent with the accounting policies applied in preparing the Combined Historical Financial Information set out in Section B of Part 11, the basis set out in the notes below and in accordance with the requirements of items 1 to 6 of Annex II to the Prospectus Rules.

The unaudited combined pro forma statement of net assets has been prepared for illustrative purposes only, and by its nature addresses a hypothetical situation and, therefore, does not reflect the Group's actual financial position or results. It may not therefore give a true picture of the Group's financial position or results, nor is it indicative of the results that may or may not be achieved in the future.

Unaudited combined pro forma statement of net assets as at 30 September 2014:

	Combined net assets of the Group as at 30 September 2014	Net proceeds of the Offer	Reorganisation	Transfer of assets to JLPF	New banking facilities	Combined pro forma statement of net assets of the Group as at 30 September 2014
	£'000	£'000 (note 4)	£'000 (note 5)	£'000 (note 6)	£'000 (note 7)	£'000
Non-current assets						
Intangible assets	0.9	—	—	—	—	0.9
Plant and equipment	1.4	—	—	—	—	1.4
Investments at fair value through profit or loss	842.2	—	—	(100.0)	53.5	795.7
Deferred tax assets	1.5	—	—	—	—	1.5
	846.0	**—**	**—**	**(100.0)**	**53.5**	**799.5**
Current assets						
Trade and other receivables	8.6	—	—	—	—	8.6
Cash and cash equivalents	2.9	120.0		—		122.9
	11.5	**120.0**	**—**	**—**	**—**	**131.5**
Total assets	**857.5**	**120.0**	**—**	**(100.0)**	**53.5**	**931.0**
Current liabilities						
Interest-bearing loans and borrowings	(967.7)	—	967.7	—	(53.5)	(53.5)
Trade and other payables	(19.1)	—	—	—	—	(19.1)
	(986.8)	**—**	**967.7**	**—**	**(53.5)**	**(72.6)**
Liabilities directly associated with assets classified as held for sale	(9.1)	—	—	—	—	(9.1)
Net current (liabilities)/assets	**(984.4)**	**120.0**	**967.7**	**—**	**(53.5)**	**49.8**
Non-current liabilities						
Retirement benefit obligations	(197.4)	—	—	100.0	—	(97.4)
Provision	(2.1)	—	—	—	—	(2.1)
	(199.5)	**—**	**—**	**100.0**	**—**	**(99.5)**
Total liabilities	**(1,195.4)**	**—**	**967.7**	**100.0**	**(53.5)**	**(181.2)**
Net (liabilities)/assets	**(337.9)**	**120.0**	**967.7**	**—**	**—**	**749.8**

Notes:

1. The financial information as at 30 September 2014 has been extracted, without material adjustment, from the combined historical financial information as set out under in Section B of Part 11 "Combined Historical Financial Information".

2. This combined pro forma statement of net assets does not constitute financial statements within the meaning of section 434 of the Companies Act 2006.

3. No adjustment has been made to reflect the trading results of the Group since 30 September 2014 or any other change in its financial position in that period.

4. As set out in paragraph 2 of Part 13 "Details of the Offer", the total net proceeds receivable by the Company from the Offer are estimated to be approximately £120 million, after deduction of underwriting commissions, other estimated offering-related fees, and other related expenses incurred by the Group of approximately £10 million.

5. As part of the Reorganisation described in paragraph 1.11 of Part 14 "Additional Information", on 27 January 2015, the Group's shareholder loans (including interest accrued) were part waived and part capitalised.

6. As described in paragraph 10.3 of Part 14 "Additional Information", the Group has entered into an agreement with the JLPF Trustee to make a contribution of an aggregate value of £100 million, on Admission, to reduce the Group's outstanding pension liability and future contributions. This contribution will be satisfied by the transfer of certain of the Group's assets (including cash).

7. As set out in paragraph 10.7 of Part 14 "Additional Information" the Company has entered into the Facilities Agreement which will be drawn down on Admission for the purpose of refinancing the existing corporate banking facility of the Group that is held by John Laing plc. John Laing Group plc will recognise short-term cash borrowings under the new facilities within "Interest-bearing loans and borrowings" rather than within "Investments at fair value through profit or loss".

Section B—Accountants' report

Deloitte.

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

The Board of Directors
on behalf of John Laing Group plc
1 Kingsway
London
WC2B 6AN

Barclays Bank PLC
5 The North Colonnade
London
E14 4BB

HSBC Bank plc
8 Canada Square
London
E14 5HQ

29 January 2015

Dear Sirs

John Laing Group plc (the "Company")

We report on the unaudited combined pro forma financial information set out in Part 12 of the prospectus of the Company dated 29 January 2015 (the "Prospectus"), which has been prepared on the basis described, for illustrative purposes only, to provide information about how the transaction might have affected the combined financial information presented on the basis of the accounting policies to be adopted by the Company in preparing the financial statements for the period ending 31 December 2014. This report is required by the Commission Regulation (EC) No 809/2004 (the "Prospectus Directive Regulation") and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the combined pro forma financial information in accordance with Annex II items 1 to 6 of the Prospectus Directive Regulation.

It is our responsibility to form an opinion, as to the proper compilation of the combined pro forma financial information and to report that opinion to you in accordance with Annex II item 7 of the Prospectus Directive Regulation.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the combined pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the combined pro forma financial information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the combined pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

Opinion

In our opinion:

(a) the combined pro forma financial information has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

Deloitte LLP
Chartered Accountants

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom. Deloitte LLP is the United Kingdom member firm of Deloitte Touche Tohmatsu Limited ("DTTL"), a UK private company limited by guarantee, whose member firms are legally separate and independent entities. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTTL and its member firms.

PART 13
DETAILS OF THE OFFER

1. Background

The Company is offering such number of new shares (the "New Shares") under the Offer so as to raise gross proceeds of £130 million. Henderson Infrastructure Holdco (Jersey) Limited (the "Selling Shareholder") is offering such number of existing shares (the "Existing Shares") under the Offer so as to achieve a free float of at least 30 per cent. Assuming the Offer Price is set at the mid-point of the Price Range, that the Company issues sufficient New Shares to raise gross proceeds of £130 million, that the Selling Shareholder sells a sufficient number of Existing Shares to achieve a free float of 45 per cent. and that the Over-allotment Option is not exercised, the Selling Shareholder will receive gross proceeds of £225.7 million. The Company will not receive any proceeds in connection with the sale of the Existing Shares, all of which will be paid to the Selling Shareholder.

The number of Existing Shares to be sold pursuant to the Offer will range from 43,410,256 Existing Shares (assuming the Offer Price is set at the bottom of the Price Range and that the Selling Shareholder sells a sufficient number of Existing Shares to achieve a free float of 30 per cent.) to 158,897,959 Existing Shares (assuming that the Offer Price is set at the top of the Price Range and that the Selling Shareholder sells a sufficient number of Existing Shares to achieve a free float of 60 per cent.). Unless the context indicates otherwise, when used in this Prospectus, "free float" refers to the percentage of Shares held by persons other than the Selling Shareholder, the Non-Executive Directors and Senior Management upon Admission. The number of Existing Shares to be sold may fall outside the Existing Shares Offer Size Range (subject to the minimum free float requirements agreed by the Company with the UK Listing Authority). The actual number of Existing Shares to be sold by the Selling Shareholder in the Offer will only be determined at the time the Offer Price is determined and could be higher or lower than these numbers.

The Offer is being made by way of:

- an Institutional Offer by the Company and the Selling Shareholder to certain institutional investors in the United Kingdom and elsewhere outside the United States to non-US persons in reliance on Regulation S and in accordance with locally applicable laws and regulations, and in the United States, only to persons who are both (a) QPs and (b) QIBs in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act; and
- an Intermediaries Offer by the Company to Intermediaries for onward distribution to retail investors in the United Kingdom, the Channel Islands and the Isle of Man.

Certain restrictions that apply to the distribution of this Prospectus and the Shares being issued and sold under the Offer in jurisdictions outside the United Kingdom are described below.

When admitted to trading, the Shares will be registered with ISIN number GB00BVC3CB83 and SEDOL (Stock Exchange Daily Official List) number BVC3CB8 and trade under the symbol "JLG".

Following Admission, it is expected that between 30 per cent. and 60 per cent. of the Company's issued ordinary share capital will be held in public hands (assuming that the Over-allotment Option is not exercised) and between 34.5 per cent. and 69.0 per cent. will be held in public hands if the Over-allotment Option is exercised in full.

The Company, the Selling Shareholder and the Joint Global Co-ordinators are not bound to proceed with the Offer. Completion of the Offer will be subject, *inter alia*, to the determination of the Offer Price and the Offer Size and each of the Company's, the Selling Shareholder's and the Joint Global Co-ordinators' decisions to proceed with the Offer. It will also be subject to the satisfaction of conditions contained in the Underwriting Agreement including Admission occurring and to the Underwriting Agreement not having been terminated. The Offer cannot be terminated once unconditional dealings in the Shares have commenced. Further details of the Underwriting Agreement are set out in paragraph 10.1 of Part 14 "Additional Information".

The rights attaching to the Shares issued or sold pursuant to the Offer, including any Shares sold pursuant to the Over-allotment Option, will be uniform in all respects, including the right to vote and the right to receive all dividends and other distributions declared, made or paid in respect of the Company's share capital after Admission. The Shares will, immediately on and from Admission, be freely transferable under the Articles of Association.

2. Use of proceeds

The Company expects to receive gross proceeds of approximately £130 million from the issue of New Shares in the Offer before estimated underwriting commissions, fees and expenses incurred in connection with the Offer of approximately £10 million. As a result, the Company expects to receive net proceeds of approximately £120 million from the Offer.

The Company intends to use the net proceeds from the issue of the New Shares to fund new investment commitments and for general corporate purposes. Proceeds will also be used to pay costs related to the listing, estimated at approximately £10 million.

Through the sale of Existing Shares pursuant to the Offer, the Selling Shareholder expects to raise in aggregate approximately £225.7 million (assuming that the Offer Price is set at the mid-point of the Price Range, the Existing Share Offer Size is set at a level to achieve a free float of 45 per cent. and no exercise of the Over-allotment Option) before taking into account expenses. On that basis, the aggregate underwriting commissions and amounts in respect of stamp duty or SDRT payable by the Selling Shareholder in connection with the Offer are estimated to be up to approximately £7.4 million.

3. Reasons for the Offer

The Directors believe that the Offer will:

- further increase the Group's profile, brand recognition and credibility with Governmental Entities, potential consortium partners, other project clients, suppliers and employees;
- assist in recruiting, retaining and incentivising key management and employees;
- provide a partial realisation of the investment in the Group by the Selling Shareholder; and
- raise proceeds to fund new investment commitments and for general corporate purposes.

4. Offer Size, Offer Price, Bookbuilding and Allocations

This section should be read in conjunction with the section entitled Part 4 "Expected Timetable of Principal Events and Offer Statistics".

The Offer comprises an offer of 161,693,182 Shares (assuming that the Offer Price is set at the mid-point of the Price Range, that the Selling Shareholder sells a sufficient number of Existing Shares to achieve a free float of 45 per cent. and that the Over-allotment Option is not exercised), of which:

- 59,090,909 are New Shares being offered for subscription by the Company; and
- 102,602,273 are Existing Shares being offered for sale by the Selling Shareholder.

It is currently expected that the New Share Offer Size and the Existing Share Offer Size will be set within the New Share Offer Size Range and the Existing Share Offer Size Range, respectively. However, the number of New Shares to be issued may fall outside the New Share Offer Size Range and/or the number of Existing Shares to be sold may fall outside the Existing Share Offer Size Range. See paragraph 13 "Withdrawal Rights" below for the steps the Company will take should the New Share Offer Size be set above or below the New Share Offer Size Range and/or the Existing Share Offer Size be set above or below the Existing Share Offer Size Range. The actual number of New Shares to be issued by the Company and Existing Shares to be sold by the Selling Shareholder in the Offer will only be determined at the time the Offer Price is determined and could be higher or lower than those ranges. In addition, further Shares representing up to 15 per cent. of the Offer will be made available by the Selling Shareholder pursuant to the Over-allotment Option described below.

All Shares issued or sold pursuant to the Offer will be issued or sold at the Offer Price. It is currently expected that the Offer Price will be in the price range of 195 pence to 245 pence per Share but the Offer Price may be set within, above or below that Price Range. See paragraph 13 "Withdrawal Rights" below for the steps the Company will take should the Offer Price be set above the Price Range or the Price Range is revised higher.

A number of factors will be considered in deciding the Offer Price and the Offer Size, including prevailing market conditions, the level and the nature of the demand for Shares, the Company's historical performance estimates of its business potential and earning prospects and the objective of encouraging the development of an orderly and liquid after-market in the Shares. The Offer Price and the Offer Size will be established at a level determined in accordance with these arrangements, taking into account indications of interest received (whether before or after the times and/or dates stated). Accordingly, the Offer Price will not necessarily be the highest price at which all of the Shares subject to the Offer could be issued or sold. The Offer Price will be determined by the Company and the Selling Shareholder in consultation with the Joint Global Co-ordinators.

The Underwriters will solicit from prospective investors indications of interest in acquiring Shares under the Institutional Offer. Prospective institutional investors will be required to specify the number of Shares which they would be prepared to acquire either at specified prices or at the Offer Price (as finally determined). There is no minimum or maximum number of Shares which can be applied for in the Institutional Offer. In addition, applications for Shares are expected to be sought by the Intermediaries in the Intermediaries Offer on the basis that the number of Shares which may be allocated will vary depending on the Offer Price. Applications will then be aggregated and submitted by each Intermediary on behalf of its clients and this demand will be taken into account by the Company alongside indications of interest in the Institutional Offer in establishing the Offer Price and the Offer Size as described above in respect of the Offer.

In the event that demand for the Shares being offered exceeds the number of Shares made available in the Offer, allocations may be scaled down in any manner by the Company and the Selling Shareholder in consultation with the Joint Global Co-ordinators, and applicants may be allocated Shares having an aggregate value which is less than the sum applied for. The Company and the Selling Shareholder may allocate such Shares in consultation with the Joint Global Co-ordinators, provided that the final determination as to allocation will be made by the Company (and there is no obligation to allocate such Shares proportionately).

The Offer Price, the New Share Offer Size and the Existing Share Offer Size will be determined by the Company and the Selling Shareholder in consultation with the Joint Global Co-ordinators and are expected to be announced on 12 February 2015. The Pricing Statement, which will contain the Offer Price, the New Share Offer Size and the Existing Share Offer Size, will be published in printed form and available free of charge at the registered office of the Company at 1 Kingsway, London WC2B 6AN until 14 days after Admission. In addition, the Pricing Statement will be published in electronic form and available on the Company's website at www.laing.com. The Company and the Selling Shareholder, in consultation with the Joint Global Co-ordinators, reserve the right to increase or decrease the aggregate number of Shares issued and/or sold under the Offer.

If (i) the Offer Price is set above the Price Range or the Price Range is revised higher; and/or (ii) the number of New Shares to be issued by the Company is set above or below the New Share Offer Size Range (subject to the minimum free float requirements agreed by the Company with the UK Listing Authority); and/or (iii) the number of Existing Shares to be sold by the Selling Shareholder is set above or below the Existing Share Offer Size Range (subject to the minimum free float requirements agreed by the Company with the UK Listing Authority), then the Company would make an announcement via a Regulatory Information Service and prospective investors would have a statutory right to withdraw their application for Shares pursuant to section 87Q of FSMA. In such circumstances, the Pricing Statement would not be published until the period for exercising such withdrawal rights has ended. Therefore, the expected day of publication of the Pricing Statement would be extended. The arrangements for withdrawing offers to subscribe for or purchase Shares would be made clear in the announcement. Full details of the statutory right to withdraw an offer to purchase Shares pursuant to section 87Q of FSMA are set out in paragraph 13 "Withdrawal Rights" below.

The Selling Shareholder has agreed to pay the stamp duty chargeable on a transfer of Existing Shares and/or SDRT chargeable on agreements to transfer Existing Shares arising in the United Kingdom (currently at a rate of 0.5 per cent.) on the initial sale of Existing Shares under the Offer and the sale of Existing Shares pursuant to the exercise of the Over-allotment Option. Each investor which acquires Existing Shares in the Offer will be deemed to undertake that such investor shall not submit any reclaim to HMRC in respect of any stamp duty or SDRT so paid or accounted for by the Selling Shareholder in respect of the Offer.

5. The Institutional Offer

Under the Institutional Offer, the Shares will be offered to (i) certain institutional investors in the United Kingdom and elsewhere outside the United States to non-US persons in reliance on Regulation S and in accordance with locally applicable laws and regulations, and (ii) in the United States, only to persons who are both (a) QPs within the meaning of Section 2(a)(51) of the US Investment Company Act and (b) QIBs in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Certain restrictions that apply to the distribution of the Prospectus and the offer and sale of the Shares in jurisdictions outside the United Kingdom are described below in paragraph 14 "Selling Restrictions" below.

The latest time and date for indications of interest in acquiring Shares under the Institutional Offer are set out in Part 4 "Expected Timetable of Principal Events and Offer Statistics" but that time may be extended at the discretion of the Joint Global Co-ordinators (with the agreement of the Company).

Each investor in the Institutional Offer will be required to undertake to pay the Offer Price for the Shares sold to such investor in such manner as shall be directed by the Underwriters, which is the same price at which all Shares are to be sold in the Offer.

Participants in the Institutional Offer will be notified verbally or by email of the number of Shares that they have been allocated as soon as practicable following pricing and allocation. Each prospective investor in the Institutional Offer will be contractually committed to acquire the number of Shares allocated to it at the Offer Price and, to the fullest extent permitted by law, will be deemed to have agreed that it will not be entitled to exercise any rights to rescind or terminate or, subject to any statutory withdrawal rights, otherwise withdraw from, such commitment.

6. The Intermediaries Offer

Members of the public will not be able to apply directly for Shares in the Offer from the Company or the Selling Shareholder. Members of the general public in the United Kingdom, the Channel Islands and the Isle of Man may be eligible to apply for Shares through the Intermediaries, by following their relevant application procedures, by no later than 10 February 2015. Underlying Applicants are responsible for ensuring that they do not make more than one application under the Intermediaries Offer (whether on their own behalf or through other means, including, but without limitation, through a trust or pension plan).

The Intermediaries Offer is being made to retail investors in the United Kingdom, the Channel Islands and the Isle of Man only. Individuals who are aged 18 or over, companies and other bodies corporate, partnerships, trusts, associations and other unincorporated organisations are permitted to apply to subscribe for or purchase Shares in the Intermediaries Offer.

No Shares allocated under the Intermediaries Offer will be registered in the name of any person whose registered address is outside the United Kingdom, the Channel Islands and the Isle of Man except in certain limited circumstances and with the consent of the Joint Global Co-ordinators. Applications under the Intermediaries Offer must be by reference to the total monetary amount the applicant wishes to invest and not by reference to a number of Shares or the Offer Price.

An application for Shares in the Intermediaries Offer means that the applicant agrees to acquire the Shares at the Offer Price. Each applicant must comply with the appropriate money laundering checks required by the relevant Intermediary. Where an application is not accepted or there are insufficient Shares available to satisfy an application in full, the relevant Intermediary will be obliged to refund the applicant as required and all such refunds will be in accordance with the terms provided by the Intermediary to the applicant. The Company, the Banks and the Selling Shareholder accept no responsibility with respect to the obligation of the Intermediaries to refund monies in such circumstances.

Intermediaries may charge retail investors a fee for buying or holding the allocated Shares for them (including any fees relating to the opening of an individual savings account or a self-invested personal pension for that purpose) provided that the Intermediary has disclosed the fees and terms and conditions of providing those services to the retail investor prior to the underlying application being made.

Each Intermediary has agreed, or will on appointment agree, to the Intermediaries Terms and Conditions (further details of which are set out at paragraph 18.1 of Part 14 "Additional Information"), which regulate, *inter alia*, the conduct of the Intermediaries Offer on market standard terms, and provide for the payment of commission to any Intermediary that elects to receive commission for the Company or the Selling Shareholder.

In making an application, each Intermediary will also be required to represent and warrant, among other things, that it is not located in the United States and is not acting on behalf of anyone located in the United

States. Under the Intermediaries Offer, the Shares will be offered outside the United States only in offshore transactions as defined in, and in reliance on, Regulation S.

The Intermediaries may prepare certain materials for distribution or may otherwise provide formation or advice to retail investors in the United Kingdom, the Channel Islands and the Isle of Man, subject to the terms of the Intermediaries Terms and Conditions. Any such materials, information or advice are solely the responsibility of the Intermediaries and will not be reviewed or approved by any of the Banks, the Selling Shareholder or the Company. Any liability relating to such documents will be for the Intermediaries only. **If an Intermediary makes an offer to a retail investor pursuant to the Intermediaries Offer, that Intermediary shall provide to such retail investor at the time the offer is made (i) a copy of the Prospectus or a hyperlink from which the Prospectus may be obtained and (ii) the terms and conditions of the relevant offer made by the Intermediary to the retail investor.**

Each Intermediary will be informed by the Receiving Agent, after consultation with the Joint Global Co-ordinators, by approximately 7:00 a.m. on 12 February 2015, by fax or email of the aggregate number of Shares allocated in aggregate to their underlying clients (or to the Intermediaries themselves) and the total amount payable in respect thereof. The aggregate allocation of Shares as between the Institutional Offer and the Intermediaries Offer will be determined by the Company and the Selling Shareholder after having consulted with the Joint Global Co-ordinators (on behalf of the Underwriters). The allocation policy for the Intermediaries Offer will be determined by the Company and the Selling Shareholder after having consulted with the Joint Global Co-ordinators. Each Intermediary will be required to apply the allocation policy to each of its underlying applications from retail investors. The allocation policy will be made available to Intermediaries prior to the commencement of conditional dealings in the Shares.

Pursuant to the Intermediaries Terms and Conditions, the Intermediaries have undertaken to make payment on their own behalf (not on behalf of any other person) of the consideration for the Shares allocated, at the Offer Price, to the Receiving Agent, in accordance with details to be communicated on or after the time of allocation, by means of CREST against the delivery of the Shares at the time and/or date set out in Part 4 "Expected Timetable of Principal Events and Offer Statistics" or at such other time and/or date after the day of publication of the Offer Price as may be agreed by the Company, the Selling Shareholder and the Joint Global Co-ordinators and notified to the Intermediaries.

The publication of this document and/or any supplementary prospectus and any other actions of the Company, the Selling Shareholder, the Banks, the Intermediaries or other persons in connection with the Offer should not be taken as any representation or assurance by any such person as to the basis on which the number of Shares to be offered under the Intermediaries Offer or allocations within the Intermediaries Offer will be determined, and all liabilities for any such action or statement are hereby disclaimed by the Company, the Selling Shareholder and the Banks.

Each investor who applies for Shares in the Intermediaries Offer through an Intermediary shall, by submitting an application to such Intermediary, be deemed to acknowledge and agree that such investor is not relying on any information or representation other than as is contained in the Prospectus, the Pricing Statement or any supplementary prospectus.

7. NISAs

The Shares will be "qualifying investments" for the stocks and shares component of a NISA and the Directors will use their reasonable endeavours to manage the affairs of the Company so as to enable this status to be maintained. Save where an account manager is acquiring Shares using available funds in an existing NISA, an investment in Shares by means of a NISA is subject to the usual annual subscription limits applicable to new investments into a NISA.

Sums received by a Shareholder on a disposal of Shares will not count towards the Shareholder's annual limit but a disposal of Shares held in a NISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in that tax year. Individuals wishing to invest in Shares through a NISA should contact their professional advisors regarding their eligibility.

8. Over-allotment and stabilisation

In connection with the Offer, Barclays Capital Securities Limited, as Stabilising Manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect other stabilising transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. The Stabilising Manager is not required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings in the Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilising Manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilisation, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the Shares above the Offer Price. Except as required by law or regulation, neither the Stabilising Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilising transactions conducted in relation to the Offer.

In connection with the Offer, the Stabilising Manager may, for stabilisation purposes, over-allot Shares up to a maximum of 15 per cent. of the total number of Shares comprised in the Offer. For the purposes of allowing the Stabilising Manager to cover short positions resulting from any such over-allotments and/or from sales of Shares effected by it during the stabilising period, HPC Nominees Limited will have granted to the Stabilisation Manager the Over-allotment Option, pursuant to which the Stabilising Manager may purchase or procure purchasers for additional Shares up to a maximum of 15 per cent. of the Over-allotment Shares at the Offer Price. The Over-allotment Option will be exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of conditional dealings of the Shares on the London Stock Exchange. Any Over-allotment Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with the Shares, including for all dividends and other distributions declared, made or paid on the Shares, will be purchased on the same terms and conditions as the Shares being issued or sold in the Offer and will form a single class for all purposes with the other Shares.

For a discussion of certain stock lending arrangements entered into in connection with the Over-allotment Option, see paragraph 7 "Underwriting arrangements" of Part 14 "Additional Information".

9. Listing, Dealing and Settlement Arrangements

The Offer is subject to the satisfaction of certain conditions contained in the Underwriting Agreement, including Admission occurring and becoming effective by 8.00 a.m. (London time) on 17 February 2015 or such later date as may be determined in accordance with such agreement, and to the Underwriting Agreement not having been terminated. Further details of the Underwriting Agreement are set out in paragraph 7.1 of Part 14 "Additional Information".

Application will be made to the FCA for all the Shares to be listed on the Official List and Application will be made to the London Stock Exchange for all the Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

It is expected that dealings in the Shares will commence on a conditional basis on the London Stock Exchange at 8.00 a.m. (London time) on 12 February 2015. The expected date for settlement of such dealings will be 17 February 2015. All dealings between the commencement of conditional dealings and the commencement of unconditional dealings will be on a "when issued basis". If the Offer does not become unconditional in all respects, any such dealings will be of no effect and any such dealings will be at the risk of the parties concerned.

It is expected that Admission will become effective and that dealings in the Shares will commence on an unconditional basis on the London Stock Exchange at 8.00 a.m. (London time) on 17 February 2015. It is intended that the issue of Shares allocated to investors who wish to hold Shares in uncertificated form will take place through CREST on Admission. Temporary documents of title will not be issued. Dealings in advance of crediting of the relevant CREST stock account will be at the risk of the person concerned.

In connection with the Offer, each of the Banks and any affiliate acting as an investor for its own account may take up the Shares and in such capacity may retain, purchase or sell for its own account such securities and any securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the Offer. Accordingly, references in this document to the Shares being offered or placed should be read as including any offering or placement of securities to any of the Banks and any affiliate acting in such capacity. The Banks do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

10. CREST

CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer. With effect from Admission, the Articles will permit the holding of Shares in the CREST system.

Application has been made for the Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Shares following Admission may take place within the CREST system if any shareholder so wishes. CREST is a voluntary system and holders of Shares who wish to receive and retain share certificates will be able to do so.

11. Underwriting arrangements

The Underwriters have entered into commitments under the Underwriting Agreement pursuant to which (subject to the execution by the parties thereto of the Pricing Agreement) they have agreed severally, subject to certain conditions, to procure subscribers for the New Shares to be issued by the Company and purchasers for the Existing Shares to be sold by the Selling Shareholder in the Offer, or, failing which, themselves to subscribe for or purchase such Shares, at the Offer Price. The Underwriting Agreement contains provisions entitling the Joint Global Co-ordinators (on behalf of themselves and the other Banks) to terminate the Offer (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Offer and these arrangements will lapse and any moneys received in respect of the Offer will be returned to applicants without interest. The Underwriting Agreement provides for the Underwriters to be paid commission in respect of the New Shares issued, the Existing Shares sold and any Over-allotment Shares sold following exercise of the Over-allotment Option. Any commissions received by the Underwriters may be retained, and any Shares acquired by them may be retained or dealt in, by them, for their own benefit.

Further details of the terms of the Underwriting Agreement are set out in paragraph 7 "Underwriting arrangements" in Part 14 "Additional Information". Certain selling and transfer restrictions are set out below.

The Company, the Selling Shareholder and the Joint Global Co-ordinators expressly reserve the right to determine, at any time prior to Admission, not to proceed with the Offer. If such right is exercised, the Offer will lapse and any monies received in respect of the Offer will be returned to investors without interest.

12. Lock-up arrangements

Pursuant to the Underwriting Agreement, the Company has agreed that, subject to certain exceptions, during the period of 180 days from the date of Admission, it will not, without the prior written consent of the Joint Global Co-ordinators (such consent not to be unreasonably withheld or delayed), directly or indirectly, issue, offer, allot, lend, mortgage, assign, charge, pledge, sell, or contract to sell, issue options in respect of or otherwise dispose of, or announce an offer of any Shares (or any interest therein in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Shares or enter into any transaction with the same economic effect as any of the foregoing.

Pursuant to the Underwriting Agreement and related arrangements, the Directors have agreed that, subject to certain exceptions (set out in paragraph 7.1 "Underwriting agreement" in Part 14 "Additional Information"), during the period of 365 days from the date of Admission, they will not, without the prior written consent of the Joint Global Co-ordinators (such consent not to be unreasonably withheld or delayed), directly or indirectly, offer, allot, lend, mortgage, assign, charge, pledge, sell, or contract to sell, issue options in respect of or otherwise dispose of, or announce an offer of any Shares (or any interest therein in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Shares or enter into any transaction with the same economic effect as any of the foregoing.

Pursuant to the Underwriting Agreement, the Selling Shareholder, HPC Nominees Limited and each of the Henderson Funds have severally agreed that, subject to certain exceptions, during the period of 180 days from the date of Admission, they will not, without the prior written consent of the Joint Global Co-ordinators (such consent not to be unreasonably withheld or delayed), directly or indirectly, offer, allot, lend, mortgage, assign, charge, pledge, sell, or contract to sell, issue options in respect of or otherwise dispose of, or announce an offer of any Shares (or any interest therein in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Shares or enter into any transaction with the same economic effect as any of the foregoing. The Selling Shareholder is, however, permitted to distribute its Shares to HPC Nominees Limited at any time after Admission (whereupon it will also be subject to the above restrictions). Following the expiry of 180 day lock-up period, HPC Nominees Limited shall be subject to orderly market restrictions for the period to 30 September 2015. Furthermore, upon expiry of such orderly market restrictions, HPC Nominees Limited will distribute its remaining Shares to the underlying investors in the Henderson Funds, at which point the Relationship Agreement will terminate in accordance with its terms.

Further details of these arrangements, which are contained in the Underwriting Agreement, are set out in paragraph 7.1 "Underwriting agreement" of Part 14 "Additional Information".

The Senior Managers have agreed that, subject to certain exceptions described below, during a period of 365 days from Admission, he or she shall not, without the prior written consent of each of the Joint Global Co-ordinators (such consent not to be unreasonably withheld or delayed), directly or indirectly, offer, issue, lend, mortgage, assign, charge, pledge, sell or contract to sell, issue options in respect of, or otherwise dispose of, directly or indirectly, or announce an offering or issue of, any Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing, save that the above restrictions shall not apply in respect of Shares issued pursuant to the grant or exercise of options under share option schemes described in this Prospectus.

The restrictions to which the Senior Managers are subject shall not apply in respect of the issuance of Shares pursuant to the grant or exercise of options under share option schemes in existence on the date of Admission (as described in paragraph 5 "Employee share plans" of Part 14 "Additional Information") or prohibit them from: (a) accepting a general offer made to all holders of issued and allotted Shares for the time being made in accordance with the City Code; (b) executing and delivering an irrevocable commitment or undertaking to accept a general offer as referred to in sub-paragraph (a) above; (c) selling or otherwise disposing of Shares pursuant to any offer by the Company to purchase its Shares; (d) transferring or disposing of Shares pursuant to a compromise or arrangement between the Company and its creditors in accordance with the Act; (e) taking up rights granted in respect of a rights issue or other pre-emptive share offering by the Company; or (f) transferring Shares to any connected person (as defined in the Act). In addition to certain other customary termination events, the restrictions to which the Senior Managers are subject will terminate if the employment of the Senior Manager with the Company is terminated by the Company (but for the avoidance of doubt, not if the Senior Manager leaves employment with the Company of their own volition).

13. Withdrawal Rights

In the event that the Company is required to publish a supplementary prospectus, applicants who have applied to subscribe for or purchase Shares in the Offer will have at least two business days following the publication of the supplementary prospectus within which to withdraw their offer to acquire Shares in the Offer.

In addition, in the event that (i) the Offer Price is set above the Price Range or the Price Range is revised higher; and/or (ii) the number of new Shares to be issued by the Company is set above or below the New Share Offer Size Range (subject to the minimum free float requirements agreed by the Company with the UK Listing Authority); and/or (iii) the number of Existing Shares to be sold by the Selling Shareholder is set above or below the Existing Share Offer Size Range (subject to the minimum free float requirements agreed by the Company with the UK Listing Authority) then applicants who have applied to subscribe for or purchase Shares in the Offer would have a statutory right to withdraw their offer to subscribe for or purchase Shares in the Offer in its entirety pursuant to section 87Q of FSMA before the end of a period of two business days commencing on the first business day after the date on which an announcement of this is published via a Regulatory Information Service announcement (or such later date as may be specified in that announcement). In those circumstances, the Pricing Statement would not be issued until this deadline for exercising such statutory withdrawal rights has ended.

If the application is not withdrawn within the stipulated period, any offer to apply for Shares in the Offer will remain valid and binding. In the event that an institutional investor wishes to exercise a statutory right to withdraw their offer to subscribe for or purchase Shares in the Offer, the Joint Global Co-ordinators will notify the institutional investor with the process to withdraw their offer. The withdrawal notice is to be communicated no later than two business days after the date on which the supplementary prospectus is published or the date on which an announcement is made (as described above). Notice of withdrawal given by any other means or which is deposited with or received after the expiry of such period will not constitute a valid withdrawal. Applicants who have applied for Shares via the Intermediaries who wish to withdraw an application following publication of a supplementary prospectus or an announcement is made (as described above) should contact the Intermediary through whom they applied for details of how to withdraw an application.

14. Selling restrictions

The distribution of this document and the offer of Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Shares, or possession or distribution of this document or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the Shares may be distributed or published in or from any country or jurisdiction except in circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this document comes should inform themselves about and observe any restrictions on the distribution of this document and the offer of Shares contained in this document. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to subscribe for or purchase any of the Shares to any person in any jurisdiction to whom it is unlawful to make such offer of solicitation in such jurisdiction.

14.1 "Covered banking entities"

The Company is a "covered fund" for the purposes of the "Volcker Rule" contained in the Dodd-Frank Act (Section 619: Prohibitions on Proprietary Trading and Certain Relationships with Hedge Funds and Private Equity Funds). Accordingly, entities that may be "covered banking entities" for the purposes of the Volcker Rule, including, without limitation, non-US banks with a banking presence in the United States, may be restricted from holding the Company's securities and should take specific advice before making an investment in the Company.

14.2 European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") no Shares have been offered or will be offered pursuant to the Offer to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Shares may be made to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;

(b) to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Joint Global Co-ordinators for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State.

For the purposes of this provision, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state. The expression "Prospectus Directive" means Directive 2003/71/EC as amended including by Directive 2010/73/EU and includes any relevant implementing measure in each Relevant Member State.

In the case of any Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the Joint Global Co-ordinators has been obtained to each such proposed offer or resale. The Company, the Selling Shareholder, the Banks and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Banks of such fact in writing may, with the prior consent of the Joint Global Co-ordinators, be permitted to acquire Shares in the Offer.

14.3 United States

The Shares have not been and will not be registered under the US Securities Act or under any applicable securities laws or regulations of any state of the United States and, subject to certain exceptions, may not be offered or sold within the United States except to persons reasonably believed to be both (i) QPs within the meaning of Section 2(a)(51) of the US Investment Company Act and (ii) QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Shares are being offered and sold outside the United States in offshore transactions to non-US persons in reliance on Regulation S.

The Company has not been and will not be registered under the US Investment Company Act and investors will not be entitled to the benefits of that Act. The Company is relying on the exemption provided by Section 3(c)(7) of the US Investment Company Act and as a result the Offer Shares may only be purchased by persons within the United States who are QPs. Purchasers in the United States or who are US persons will be required to execute and deliver a US Investment Letter in the form set forth in Appendix A.

In addition, until 40 days after the commencement of the Offer of the Shares an offer or sale of Shares within the United States by any dealer (whether or not participating in the Offer) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the US Securities Act.

The Underwriting Agreement provides that the Underwriters may directly or through their respective United States broker-dealer affiliates arrange for the offer and resale of Shares within the United States only to persons who are both (a) QPs within the meaning of Section 2(a)(51) of the US Investment Company Act and (b) QIBs in reliance on Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the US Securities Act.

Each acquirer of Shares within the United States, by accepting delivery of this document, will be deemed to have represented, agreed and acknowledged that it has received a copy of this document and such other information as it deems necessary to make an investment decision and that:

(a) it is (a) both a QIB within the meaning of Rule 144A and a QP within the meaning of Section 2(a)(51) of the US Investment Company Act, (b) acquiring the Shares for its own account or for the account of one or more QIBs who are also QPs with respect to whom it has the authority to make, and does make, the representations and warranties set forth herein, (c) acquiring the Shares for investment purposes, and not with a view to further distribution of such Shares, and (d) aware, and each beneficial owner of the Shares has been advised, that the sale of the Shares to it is being made in reliance on Rule 144A or in reliance on another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

(b) it understands that (a) the Shares are being offered and sold in the United States only in a transaction not involving any public offering within the meaning of the US Securities Act and that the Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and (b) the Company has not been and will not be registered under the US Investment Company Act and related rules.

It understands that the Shares may not be offered, sold, pledged or otherwise transferred except (a) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S outside the United States to a person not known by it to be a US person (as defined in Regulation S), by pre-arrangement or otherwise, or (b) to the Company or a subsidiary thereof.

It further (a) understands that the Shares may not be deposited into any unrestricted depositary receipt facility in respect of the Shares established or maintained by a depositary bank, (b) acknowledges that the Shares (whether in physical certificated form or in uncertificated form held in CREST) are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act and that no representation is made as to the availability of the exemption provided by Rule 144 for resales of the Shares, (c) understands that the Company may not recognise any offer, sale, resale, pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions and (d) understands that the Company may require any US person or any person within the United States who was not a QP (as defined in Section 2(a)(51) of the US Investment Company Act) at the time it acquired any Shares or any beneficial interest therein to transfer the Shares or any such beneficial interest immediately in a manner consistent with these restrictions and if the obligation to transfer is not met, the Company is irrevocably authorised, without any obligation, to transfer the Shares, as applicable, in a manner consistent with these restrictions and, if such Shares are sold, the Company shall be obliged to distribute the net proceeds to the entitled party.

(c) it understands that the Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THE SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE COMPANY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE SHARES REPRESENTED HEREBY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") OUTSIDE THE UNITED STATES TO A PERSON NOT KNOWN BY YOU TO BE A US PERSON (AS DEFINED IN REGULATION S), BY PRE-ARRANGEMENT OR OTHERWISE, OR (2) TO THE COMPANY OR A SUBSIDIARY THEREOF. EACH HOLDER, BY ITS ACCEPTANCE OF SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.

THE COMPANY AND ITS AGENTS WILL NOT BE REQUIRED TO ACCEPT FOR REGISTRATION OF TRANSFER ANY SHARES MADE OTHER THAN IN COMPLIANCE WITH THESE RESTRICTIONS. THE COMPANY MAY REQUIRE ANY US PERSON OR ANY PERSON WITHIN THE UNITED STATES WHO WAS NOT A QUALIFIED PURCHASER (AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT) AT THE TIME IT ACQUIRED ANY SHARES OR ANY BENEFICIAL INTEREST THEREIN TO TRANSFER THE SHARES OR ANY SUCH BENEFICIAL INTEREST IMMEDIATELY IN A MANNER CONSISTENT WITH THESE RESTRICTIONS, AND IF THE OBLIGATION TO TRANSFER IS NOT MET, THE COMPANY IS IRREVOCABLY AUTHORIZED, WITHOUT ANY OBLIGATION, TO TRANSFER THE SHARES, AS APPLICABLE, IN A MANNER CONSISTENT WITH THESE RESTRICTIONS AND, IF SUCH SHARES ARE SOLD, THE COMPANY SHALL BE OBLIGED TO DISTRIBUTE THE NET PROCEEDS TO THE ENTITLED PARTY; and

(d) it represents that if, in the future, it offers, resells, pledges or otherwise transfers such Shares while they remain "restricted securities" within the meaning of Rule 144, it shall notify such subsequent transferee of the restrictions set out above.

The Company, the Banks and their affiliates and others will rely on the truth and accuracy of the foregoing acknowledgements, representations and agreements.

14.3.1 ERISA Considerations

As described below, investors that are subject to Part 4 of Title I of the US Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder ("ERISA") or Section 4975 of the US Internal Revenue Code of 1986, as amended (the "Tax Code") will be prohibited from acquiring any Shares.

General

ERISA and Section 4975 of the Tax Code impose certain restrictions on (a) employee benefit plans subject to Part 4 of Title I of ERISA (b) plans (as defined in Section 4975(e)(1) of the Tax Code) that are subject to Section 4975 of the Tax Code, including individual retirement accounts and annuities or Keogh plans, (c) any entities whose underlying assets include plan assets by reason of an investment by a plan described in (a) or (b) in such entities (each of (a), (b) and (c), a "Plan") and (d) persons who have certain specified relationships to Plans ("Parties in Interest" under ERISA and "Disqualified Persons" under the Tax Code). Moreover, based on the reasoning of the US Supreme Court in John Hancock Life Ins. Co. v. Harris Trust and Sav. Bank, 510 US 86 (1993), an insurance company's general account may be deemed to include assets of the Plans investing in the general account (e.g. through the purchase of an annuity contract), and such insurance company might be treated as a Party in Interest with respect to a Plan by virtue of such investment. ERISA also imposes certain duties on persons who are fiduciaries of Plans subject to ERISA, and ERISA and Section 4975 of the Tax Code prohibit certain transactions between a Plan and Parties in Interest or Disqualified Persons with respect to such Plan. Violations of these rules may result in the imposition of excise taxes and other penalties and liabilities under ERISA and the Tax Code.

The US Department of Labor has promulgated regulation 29 CFR §2510.3-101, effectively modified by Section 3(42) of ERISA (as so effectively modified, the "Plan Asset Regulations"), describing what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of the fiduciary responsibility provisions of Title I of ERISA and Section 4975 of the Tax Code. Under the Plan Asset Regulations, if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act of 1940, as amended, the Plan's assets are deemed to include both the equity interest itself and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "operating company" or that equity participation by Benefit Plan Investors (as defined below) is not "significant".

The Shares will constitute equity interests in the Company for purposes of the Plan Asset Regulations; the Company will not be registered under the Investment Company Act of 1940, as amended; the Shares are not "publicly offered securities" for the purposes of the Plan Asset Regulations; and it is not likely that the Company will qualify as an "operating company" for purposes of the Plan Asset Regulations.

Therefore, if equity participation in the Shares by Benefit Plan Investors is significant within the meaning of the Plan Asset Regulations, the assets of the Company could be deemed the assets of Plans investing in the Shares. If the assets of the Company were deemed to constitute the assets of an investing Plan (i) transactions involving the assets of the Company could be subject to the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Tax Code; (ii) the assets of the Company could be subject to ERISA's reporting and disclosure requirements; (iii) the fiduciary causing the Plan to make an investment in the Shares could be deemed to have delegated its responsibility to manage the assets of the Plan; (iv) it is not clear whether Section 404(b) of ERISA, which generally provides that no fiduciary may maintain the indicia of ownership of any assets of a Plan outside the jurisdiction of the district courts of the United States, would be satisfied or any of the exceptions to this requirement set out in 29 C.F.R Section 2550.404b-1 would be available; and (v) the fiduciary making an investment in the Company on behalf of a Plan could be deemed to have delegated its ERISA fiduciary asset management responsibilities to the Company.

Under the Plan Asset Regulations, equity participation in an entity by Benefit Plan Investors is significant on any date if, immediately after the most recent acquisition of any equity interest in the entity 25 per cent. or more of the value of any class of equity interest in the entity is held by Benefit Plan Investors (the "25 per cent. Threshold").

The term "Benefit Plan Investor" is defined to include (i) an employee benefit plan that is subject to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA (including, as applicable, assets of an insurance company general account) or a plan that is subject to the prohibited transaction provisions of Section 4975 of the Tax Code (including an individual retirement account), (ii) an entity whose underlying assets include "plan assets" by reason of a plan's investment in the entity, or (iii) any "benefit plan investor" as otherwise defined in Section 3(42) of ERISA or regulations promulgated by the US Department of Labor.

Restrictions on purchase by Benefit Plan Investors and by other employee benefit plans

The purchase or acquisition of any Shares by investors that are Benefit Plan Investors is prohibited.

Accordingly, Benefit Plan Investors will not be permitted to acquire the Shares and each investor will be deemed to have represented, by virtue of its acquisition of Shares, that it is not a Benefit Plan Investor. Each purchaser of Shares admitted to settlement by means of CREST or otherwise will be required to represent, or will be deemed to have represented and warranted, that it is not a Benefit Plan Investor. In addition, the Company may, under the Articles, serve a notice upon any person to whom a sale or transfer of Shares would be for, or on behalf of, a Benefit Plan Investor, or that may cause the Company's assets to be deemed to be "plan assets" under the Plan Asset Regulations, requiring such person to transfer the Shares to an eligible transferee within 14 days of such notice. If within 14 days the notice has not been complied with, the Company may compulsorily transfer the Shares. Each transferee of a Share in uncertificated form and admitted to settlement by means of the CREST system, if any, will be deemed to represent and warrant that it is not a Benefit Plan Investor.

14.4 Canada

In respect of offering Shares in Canada, this document constitutes an offering of the securities described herein only in those jurisdictions (namely, the Provinces of Ontario, Québec, British Columbia and Alberta, collectively, the "Private Placement Provinces") and to those persons where and to whom they may be lawfully offered for sale, 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 herein 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 securities described herein and any representation to the contrary is an offence.

The offering of Shares in Canada is being made solely by this document and any decision to purchase Shares should be based solely on information contained herein. No person has been authorised to give any information or to make any representations concerning this offering other than as contained herein. This document is for the confidential use of only those persons to whom it is delivered by the Underwriters in connection with the offering of the Shares in the Private Placement Provinces.

Responsibility

Except as otherwise expressly required by applicable law or as agreed to in contract, no representation, warranty, or undertaking (express or implied) is made and no responsibilities or liabilities of any kind or nature whatsoever are accepted by the Banks or any dealer as to the accuracy or completeness of the information contained in this document or any other information provided by the Company or the Selling Shareholder in connection with the offering of the Shares in Canada.

Resale restrictions

The distribution of the Shares in Canada is being made on a private placement basis only and is exempt from the requirement that the Company and the Selling Shareholder prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Shares must be made in accordance with applicable Canadian securities laws that 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 Shares outside of Canada. Canadian purchasers are advised to seek legal advice prior to any resale of the Shares.

The Company is also not a "reporting issuer", as such term is defined under applicable Canadian securities laws, in the Private Placement Provinces. Canadian investors are further advised that the Company and the Selling Shareholder are also not required, for this reason, to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Shares to the public in any province or territory of Canada. The Company and the Selling Shareholder currently do not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Shares.

Representations of Purchasers

Each Canadian investor who purchases Shares will be deemed to have represented to the Company, the Selling Shareholder, the Banks and any dealer who sells Shares to such purchaser that:

(a) the offer and sale of the Shares was made exclusively through the final version of this document and was not made through an advertisement of the Shares 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 is an "accredited investor" as defined in section 1.1 of National Instrument 45-106 Prospectus and Registration Exemptions and is either purchasing the Shares as principal for its own account, or is deemed to be purchasing the Shares as principal by applicable law;

(d) such purchaser is a "permitted client" as defined in section 1.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations;

(e) such purchaser is not a person created or used solely to purchase or hold the Shares 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 the Private Placement Provinces who purchases the Shares will be deemed to have represented to the Company, the Selling Shareholder, the Banks and each dealer from whom a purchase confirmation was received, that such purchaser:

(a) has been notified by the Company and the Selling Shareholder:

  (i) that the Company and the Selling Shareholder 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 Shares purchased), which Form 45-106F1 may be required to be filed by the Company and the Selling Shareholder under NI 45-106;

  (ii) that such personal information may be delivered to the applicable securities regulator in each Private Placement Province in accordance with NI 45-106, e.g., the Ontario Securities Commission (the "OSC") in Ontario;

  (iii) that such personal information is collected indirectly by the applicable securities regulators, e.g., 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 the Private Placement Provinces; 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 authorised the indirect collection of the personal information by the applicable securities regulator, e.g., the OSC.

Furthermore, the purchaser acknowledges that its name, address, telephone number and other specified information, including the number of Shares 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 Shares, the purchaser consents to the disclosure of such information.

Taxation

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 Shares in Canada 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 Shares in their particular circumstances and with respect to the eligibility of the Shares 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 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 (a "Misrepresentation"). 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 and the selling security holders, if any;

(b) the issuer and the selling security holders, if any, will not be liable if they prove that the purchaser purchased the securities with knowledge of the Misrepresentation;

(c) the issuer and the selling security holders, if any, will not be liable for all or any portion of damages that they prove 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 and the Selling Shareholder 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 organised under the laws of England and Wales. All or substantially all of the Company's directors and officers, as well as the Selling Shareholder, the Banks 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.*

14.5 Australia

This document (a) does not constitute a prospectus or a product disclosure statement under the Corporations Act 2001 of the Commonwealth of Australia ("Corporations Act"); (b) does not purport to include the information required of a prospectus under Part 6D.2 of the Corporations Act or a product disclosure statement under Part 7.9 of the Corporations Act; has not been, nor will it be, lodged as a disclosure document with the Australian Securities and Investments Commission ("ASIC"), the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and (c) may not be provided in Australia other than to select investors ("Exempt Investors") who are able to demonstrate that they (i) fall within one or more of the categories of investors under section 708 of the Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Corporations Act and (ii) are "wholesale clients" for the purpose of section 761G of the Corporations Act.

The Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for, or buy, the Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any Shares may be distributed, received or published in Australia, except where disclosure to investors is not required under Chapters 6D and 7 of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Shares, each purchaser or subscriber of Shares represents and warrants to the Company, the Selling Shareholder, the Banks and their affiliates that such purchaser or subscriber is an Exempt Investor.

As any offer of Shares under this document, any supplement or the accompanying prospectus or other document will be made without disclosure in Australia under Parts 6D.2 and 7.9 of the Corporations Act, the offer of those Shares for resale in Australia within 12 months may, under the Corporations Act, require disclosure to investors if none of the exemptions in the Corporations Act applies to that resale. By applying for the Shares each purchaser or subscriber of Shares undertakes to the Company, the Selling Shareholder, the Banks that such purchaser or subscriber will not, for a period of 12 months from the date of issue or purchase of the Shares, offer, transfer, assign or otherwise alienate those Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

14.6 Japan

The Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, (the "FIEA")). Accordingly, each Bank has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Shares in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of Japan.

14.7 Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor as defined under Section 275(2) and under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore ("SFA"), (ii) to a relevant person as defined under Section 275(2) and under Section 275(1), or any person under Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise under, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(A) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(B) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Shares under an offer made under Section 275 of the SFA except:

(1) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person under an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than US$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

(2) where no consideration is or will be given for the transfer; or

(3) where the transfer is by operation of law.

14.8 United Arab Emirates

Excluding the Dubai International Financial Centre

The Offer of Shares has not been approved or licensed by the UAE Central Bank or any other relevant licensing authority in the United Arab Emirates, and does not constitute a public offer of securities in the United Arab Emirates in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise. Accordingly, the Shares may not be offered to the public in the United Arab Emirates.

The Shares may be offered, and this Prospectus may be issued, only to a limited number of investors in the United Arab Emirates who qualify as sophisticated investors under the relevant laws of the United Arab Emirates. Each of the Company and the Banks represents and warrants that the Shares will not be offered, sold, transferred or delivered to the public in the United Arab Emirates.

Nothing contained in this Prospectus is intended to constitute investment, legal, tax, accounting or other professional advice. This Prospectus is for your information only and nothing in this Prospectus is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice rendered on the basis of your situation.

Dubai International Financial Centre

This Prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This Prospectus is intended for distribution only to Persons of a type specified in those rules. It must not be delivered to, or relied on by, any other Person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with

Exempt Offers. The Dubai Financial Services Authority has not approved this Prospectus nor taken steps to verify the information set out in it, and has no responsibility for it.

The Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Shares offered should conduct their own due diligence on the Shares. If you do not understand the contents of this Prospectus, you should consult an authorised financial adviser. The Shares have not been and will not be offered, sold or publicly promoted or advertised in the Dubai International Financial Centre other than in compliance with laws applicable in the Dubai International Financial Centre, governing the issue, offering or the sale of securities.

14.9 Brazil

The Shares have not been and will not be issued or placed, distributed, offered or negotiated in the Brazilian capital markets. The Company has not been nor will it be, and the issuance of the Shares has not been nor will they be, registered with the Brazilian Securities Commission (*Comissão de Valores Mobiliários*, or CVM). Any public offering or distribution, as defined under Brazilian laws and regulations, of the Shares in Brazil, except under registration exemptions set forth by Instruction No. 400, issued by the CVM on December 29, 2003, as amended, is illegal without prior registration under Law No. 6,385, dated as of December 7, 1976, as amended, and Instruction No. 400. Documents relating to the offering of the Shares, as well as information contained therein, may not be supplied to the public in Brazil (as the offering of the Shares is not a public offering of securities in Brazil), nor be used in connection with any offer for subscription or sale of the Shares to the public in Brazil, except in circumstances which do not constitute a public offering or distribution of securities pursuant to the applicable Brazilian laws and regulations. Persons wishing to acquire the Shares within Brazil should consult with their own counsel as to the applicability of registration requirements or any exemption therefrom.

PART 14
ADDITIONAL INFORMATION

1. Incorporation and share capital

1.1 The Company was incorporated and registered in England and Wales on 23 October 2006 as a private company limited by shares under the Companies Act 1985 with the name Henderson Infrastructure Holdco (UK) Limited and with the registered number 5975300.

1.2 On 28 January 2015, the Company was re-registered as a public limited company and changed its name to John Laing Group plc.

1.3 The Company's registered office and principal place of business is at 1 Kingsway, London WC2B 6AN, United Kingdom and its telephone number is +44 020 7901 3200.

1.4 The principal laws and legislation under which the Company operates and the ordinary shares have been created are the Act and regulations made thereunder.

1.5 The share capital history of the Company is as follows:

1.5.1 on incorporation the authorised share capital of the Company was £1,000 divided into 1,000 ordinary shares of £1 each;

1.5.2 on 21 December 2006, by a written resolution, the Company subdivided its issued share capital of £1 into 100,000,000 ordinary shares of £0.00000001 each and authorised the following redesignation of issued ordinary shares:

- 74,000,000 ordinary shares were redesignated as X ordinary shares; and
- 26,000,000 ordinary shares were redesignated as Y ordinary shares;

1.5.3 on 18 December 2007, by a written resolution, the Company redesignated its issued share capital of 74,000,000 X ordinary shares of £0.00000001 each and 26,000,000 Y Shares of £0.00000001 each as 100,000,000 ordinary shares of £0.00000001 each;

1.5.4 on 27 January 2015, the Company entered into an intra-group sale and purchase agreement pursuant to which the Selling Shareholder transferred its shareholding of 2,761,933 ordinary shares in HIHL to the Company in consideration for the issue by the Company of 100,000,000 ordinary shares of £0.00000001 each in the Company;

1.5.5 on 27 January 2015, by written resolution, the Company consolidated its 200,000,000 ordinary shares of £0.00000001 each into 20 ordinary shares of 10 pence each;

1.5.6 on 27 January 2015, the Company entered into an assignment agreement pursuant to which the Selling Shareholder assigned to the Company the amount of £630,000,000 due from HIHL under the Selling Shareholder Loans in consideration for the issue of 299,999,980 ordinary shares of 10 pence each in the Company to the Selling Shareholder;

1.5.7 on 27 January 2015, by written resolution, the Company undertook a reduction of its share premium by £500,000,000 from the existing share premium account of £600,000,000 to £100,000,000.

1.6 On 28 January 2015, by resolutions passed in a general meeting:

1.6.1 the Directors were authorised pursuant to section 551 of the Act, in place of all existing authorities, to allot and issue Shares and to grant rights to subscribe for or to convert any securities into Shares, for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the annual general meeting of the Company to be held in 2016 (or, if earlier, at the close of business on the date which is 18 months after the date on which the resolution was passed,) and for that period the section 551 amount shall comprise:

(a) up to an aggregate nominal amount of £10,000,000 in connection with the Offer; and

(b) following Admission, and in substitution of any unused authority under paragraph 1.6.1(a) above on the day following Admission:

(i) up to an aggregate nominal amount equal to one third of the aggregate nominal value of the share capital of the Company on the day following Admission; and

(ii) in connection with an offer by way of a rights issue only to the holders of Shares in proportion (as nearly as practicable) to their existing holdings and to people who are holders of other equity securities if this is required by the rights of those equity securities, or if the directors of the Company consider it necessary, as permitted by the rights issue of those equity securities, up to an aggregate nominal amount equal to two thirds of the aggregate nominal value of the share capital of the Company on the day following Admission (including within such limit any shares or rights issued or guaranteed under paragraph 1.6.1(b)(i)).

1.6.2 in place of all existing authorities, the Directors were given the general power to allot Shares for cash, pursuant to the authority conferred by the resolution in paragraph 1.6.1 above, as if section 561(1) of the Act did not apply to any such allotment, for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the annual general meeting of the Company to be held in 2016 (or, if earlier, at the close of business on the date which is 18 months after the date the resolution was passed), and for that period the section 561 amount shall comprise:

(a) up to an aggregate nominal amount of £10,000,000 in connection with the Offer referred to in paragraph 1.6.1(a) above; and

(b) following Admission, and in substitution of any unused power conferred under paragraph 1.6.2(a) above on the day following Admission, up to an aggregate nominal amount equal to five per cent. of the aggregate nominal value of the share capital of the Company on the day following Admission;

1.6.3 the Company was generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of Shares each subject to the following conditions:

(a) the maximum aggregate number of Shares authorised to be purchased is 10 per cent. of the Company's issued ordinary share capital immediately following Admission;

(b) the minimum price (excluding expenses) which may be paid for each Share is 10 pence (being the nominal value of a Share);

(c) the maximum price (excluding expenses) which may be paid for each Share is the higher of: (i) 105 per cent. of the average of the middle market quotations for the Shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade of a Share and the highest current independent bid for a Share as derived from the London Stock Exchange Trading System; and

(d) the authority shall expire at the close of business on the date which is 18 months after the date the resolution was passed or, if earlier, at the end of the annual general meeting of the Company to be held in 2016, provided that the Company may, before the expiry of the authority enter into a contract to purchase Shares which will or may be executed wholly or partly after the expiry of such authority.

1.6.4 the Company was authorised in accordance with the Articles, until the Company's next annual general meeting, to call general meetings on 14 clear days' notice.

1.6.5 the Company and all companies that are its subsidiaries at any time up to the end of the annual general meeting of the Company to be held in 2016, were authorised, in aggregate, to:

(a) make political donations to political parties and/or independent election candidates not exceeding £50,000 in total;

(b) make political donations to political organisations other than political parties not exceeding £50,000 in total; and

(c) incur political expenditure not exceeding £50,000 in total.

For the purposes of this authority the terms "political donation", "political parties", "independent election candidates", "political organisation" and "political expenditure" have the meanings given by sections 363 to 365 of the Act.

The Company notes that it is not its policy to make political donations and that it has no intention of using the authority for that purpose.

1.7 Immediately prior to the publication of this document, the issued share capital of the Company was £30,000,000, comprising 300,000,000 Shares of 10 pence each, (all of which were fully paid or credited as fully paid). Immediately following completion of the Offer, the issued share capital of the Company is expected to be £35,931,818 comprising 359,318,182 Shares of 10 pence each (all of which will be fully paid or credited as fully paid), assuming the Offer Price is set at the mid-point of the Price Range.

1.8 Save as disclosed above and in paragraphs 5 and 7 below:

1.8.1 no share or loan capital of the Company has, within three years of the date of this document, been issued or agreed to be issued, or is now proposed to be issued (other than pursuant to the Offer), fully or partly paid, either for cash or for a consideration other than cash, to any person;

1.8.2 no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of any such company; and

1.8.3 no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

1.9 The Company will be subject to the continuing obligations of the FCA with regard to the issue of shares for cash. The provisions of section 561(1) of the Act (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under an employees' share scheme as defined in section 1166 of the Act) apply to the issue of shares in the capital of the Company except to the extent such provisions have been disapplied as referred to in paragraph 1.6.2 above.

1.10 The UK Panel on Takeovers and Mergers has confirmed, on an *ex parte* basis, to the Company that no mandatory offer for the Company need be made as a result of the application of Rule 37.1 of the City Code in respect of any market purchases made pursuant to the authority referred to in paragraph 1.6.3 above.

1.11 The Company and other members of the Group have undertaken a restructuring in preparation for the Offer and Admission (the "Reorganisation"). This process entailed: the Selling Shareholder transferring its shareholding of 2,761,933 ordinary shares in HIHL to the Company in consideration for the issue of 100,000,000 ordinary shares of £0.00000001 each in the Company; the Company consolidating its share capital of 200,000,000 ordinary shares of £0.00000001 each into 20 ordinary shares of 10 pence each; the Selling Shareholder releasing £357,345,619 (including accrued interest) of a £987,345,619 loan due from HIHL by way of waiver deed; the Selling Shareholder assigning the amount of £630,000,000 outstanding under the loan to the Company in consideration for the issue of 299,999,980 ordinary shares of 10 pence each in the Company; the Company waiving the outstanding £630,000,000 owed by HIHL to the Company; the Company undertaking a reduction of its share premium by £500,000,000 from the existing premium of £600,000,000 to £100,000,000; and John Laing plc transferring its entire holding of shares in JLCM, John Laing Services Limited, the LIMS Companies and John Laing Projects and Developments ("JLPD") to the Company in consideration for £15,054,975. The material contracts relating to the Reorganisation are described in paragraph 10.8 "Reorganisation Agreements" of this Part 14.

1.12 The following table shows the existing ordinary share capital of the Company and the ordinary share capital as it is expected to be on the day of Admission (assuming the Offer Price is set at the mid-point of the Price Range).

Existing	**Amount**	**Number**
Ordinary shares of 10 pence each	£30,000,000	300,000,000

On the day of Admission	**Amount**	**Number**
Ordinary shares of 10 pence each	£35,931,818	359,318,182

1.13 The Shares are in registered form and, subject to the provisions of the Regulations, the Directors may permit the holding of Shares of any class in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the Regulations). Where Shares are held in certificated form, share certificates will be sent to the registered members by first class post. Where Shares are held in CREST, the relevant CREST stock account of the registered members will be credited.

1.14 The New Shares being issued pursuant to the Offer will be issued at a price of between 195 pence and 245 pence per New Share, representing a premium of between 185 and 235 pence over their nominal value of 10 pence each, which price is payable in full on application.

2. Articles of Association

The Articles of Association of the Company (the "Articles") include provisions to the following effect:

2.1 Share rights

Subject to the provisions of the Act, and without prejudice to any rights attached to any existing shares or class of shares: (i) any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the Board shall determine; and (ii) shares may be issued which are to be redeemed or are liable to be redeemed at the option of the Company or the holder and the Board may determine the terms, conditions and manner of redemption of such shares provided that it does so prior to the allotment of those shares.

2.2 Voting rights

Subject to any rights or restrictions attached to any shares, on a vote on a resolution on a show of hands every member who is present in person shall have one vote and on a vote on a resolution on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder.

No member shall be entitled to vote at a general meeting or at a separate meeting of the holders of any class of shares in the capital of the Company, either in person or by proxy, in respect of a share unless all moneys presently payable by him in respect of that share have been paid.

If at any time the Board is satisfied that any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under section 793 of the Act and is in default for the prescribed period in supplying to the Company the information thereby required, or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular, then the Board may, in its absolute discretion at any time thereafter by notice to such member direct that, in respect of the shares in relation to which the default occurred, the member shall not be entitled to attend or vote either personally or by proxy at a general meeting or at a separate meeting of the holders of that class of shares or on a poll.

2.3 Dividends and other distributions

Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board. Except as otherwise provided by the rights and restrictions attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid, but no amount paid on a share in advance of the date on which a call is payable shall be treated for these purposes as paid on the share.

Subject to the provisions of the Act, the Board may pay interim dividends if it appears to the Board that they are justified by the profits of the Company available for distribution.

If the share capital is divided into different classes, the Board may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividends as well as on shares which confer preferential rights with regard to dividends, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears, and pay at intervals settled by it any dividend payable at a fixed rate if it appears to the Board that the profits available for distribution justify payment. If the Board acts in good faith it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

Except as otherwise provided by the rights and restrictions attached to any class of shares, all dividends will be declared and paid according to the amounts paid-up on the shares on which the dividend is paid.

The Board may, if authorised by an ordinary resolution of the Company, offer any holder of shares the right to elect to receive shares, credited as fully paid, by way of scrip dividend instead of cash in respect of the whole (or some part, to be determined by the Board) of all or any dividend.

Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company.

Except as provided by the rights and restrictions attached to any class of shares, the holders of the Company's shares will under general law be entitled to participate in any surplus assets in a winding up in proportion to their shareholdings. A liquidator may, with the sanction of a special resolution and any other sanction required by the Insolvency Act 1986, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members.

2.4 Variation of rights

Subject to the provisions of the Act, rights attached to any class of shares (unless otherwise provided by the terms of allotment of the shares of that class) may be varied or abrogated with the written consent of the holders of three-quarters in nominal value of the issued shares of the class (excluding any shares of that class held as treasury shares), or the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class.

2.5 Lien and forfeiture

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys payable to the Company (whether presently or not) in respect of that share. The Company may sell, in such manner as the Board determines, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been sent to the holder of the share, or to the person entitled to it by transmission, demanding payment and stating that if the notice is not complied with the share may be sold.

Subject to the terms of the allotment, the Board may from time to time make calls on the members in respect of any moneys unpaid on their shares. Each member shall (subject to receiving at least 14 clear days' notice) pay to the Company the amount called on his shares. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the board may give the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

2.6 Limitations on shareholdings by certain relevant holders

The Articles contain provisions restricting ownership of Shares in the Company by certain persons in certain circumstances where the Company may become an investment company as defined by the US Investment Company Act of 1940, as amended, or where the assets of the Company may be considered "plan assets" within the meaning of ERISA and the rules and regulations made thereunder.

The Board may by notice in writing require any member or any other person appearing to be interested or appearing to have been interested in Shares in the Company to disclose to the Company in writing such information as the Board shall require relating to the ownership of or interests in the Shares in question as lies within the knowledge of such member or other person (supported, if the Board so requires, by a statutory declaration and/or by independent evidence) including (without prejudice to the generality of the foregoing) any information which the Company is entitled to seek pursuant to section 793 of the Act and any information which the Board shall deem necessary or desirable in order to determine whether any Shares are "Relevant Shares" (meaning Shares in the Company held, directly or indirectly, by US persons that are not "qualified purchasers" within the meaning of the US Investment Company Act of 1940, as amended, or persons that are Benefit Plan Investors (including directly or through or as nominee) or which are deemed to be so held).

Whether or not a notice described above has been given, the Board may by notice in writing require any member or any other person appearing to be interested or appearing to have been interested in Shares in the Company to demonstrate to the satisfaction of the Board that the Shares in question are not Relevant Shares. Any person on whom such notice has been served and any other person who is interested in such Shares may within 14 days of such notice (or such longer period as the Board may consider reasonable) make representations to the Board as to why such Shares should not be treated as Relevant Shares but if, after considering any such representations and such other information as seems to them relevant, the Board believes such Shares to be Relevant Shares, the Board may determine that such Shares shall be deemed to be Relevant Shares and they shall thereupon be treated as such.

The Board may give notice to the holder of any Relevant Shares and, if it so chooses, to any other person appearing to it to be interested in such Relevant Shares calling for such person to make a disposal or disposals of Relevant Shares such that the Relevant Shares cease to be Relevant Shares (a "Required Disposal") within 14 days of receipt of such notice or such longer period as the Board considers reasonable. The Board may extend the period in which any such notice is required to be complied with and may withdraw any such notice (whether before or after expiry of the period referred to) if it appears to it that the Shares to which the notice relates are not or are no longer Relevant Shares or in any other circumstances the Board sees fit. If the Board is not satisfied that a required disposal has been made by the expiry of the 14 day period (as may be extended), no transfer of any of the Relevant Shares to which the notice relates may be made or registered other than a transfer made pursuant to this provision or unless such notice is withdrawn.

If a notice given under this provision has not been complied with in all respects to the satisfaction of the Board or withdrawn, the Board shall, so far as it is able, make a Required Disposal (or procure that a Required Disposal is made) and shall give written notice of such disposal to those persons on whom the notice was served. The holder of the Shares duly disposed of and all other persons interested in such Shares shall be deemed irrevocably and unconditionally to have authorised the Board to make such Required Disposal. The manner, timing and terms of any such Required Disposal made or sought to be made by the Board (including but not limited to the price or prices at which the same is made and the extent to which assurance is obtained that no transferee is or would become a relevant holder) shall be such as the Board determines (based on advice from bankers, brokers or other persons the Board considers appropriate to be consulted by it for the purpose) to be reasonably obtainable having regard to all the circumstances, including but not limited to the number of Shares to be disposed of and any requirement that the disposal be made without delay; and the Board shall not be liable to any person (whether or not a relevant holder) for any of the consequences of reliance on such advice.

The proceeds of the Required Disposal shall be received by the Company or by any person nominated by the Company whose receipt shall be a good discharge for the purchase money and shall be paid (without any interest being payable in respect of it and after deduction of any expenses incurred by the Board in the sale) to the former holder (or, in the case of joint holders, the first of them named in the register) upon surrender by him or on his behalf to the Company for cancellation of any certificate in respect of the transferred Shares.

2.7 Transfer of shares

A member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve. An instrument of transfer shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer need not be under seal.

The Board may, in its absolute discretion, refuse to register the transfer of a certificated share which is not fully paid, provided that the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis. The Board may also refuse to register the transfer of a certificated share unless the instrument of transfer:

2.7.1 is lodged, duly stamped (if stampable), at the office or at another place appointed by the Board accompanied by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

2.7.2 is in respect of one class of share only; and

2.7.3 is in favour of not more than four transferees.

If the Board refuses to register a transfer of a share in certificated form, it shall send the transferee notice of its refusal within two months after the date on which the instrument of transfer was lodged with the Company.

No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to a share.

Subject to the provisions of the Regulations, the Board may permit the holding of shares in any class of shares in uncertificated form and the transfer of title to shares in that class by means of a relevant system and may determine that any class of shares shall cease to be a participating security.

2.8 Alteration of share capital

Subject to the Act and the provisions of the Articles, the Company may by ordinary resolution increase, consolidate or sub-divide its share capital or convert stock into paid-up shares.

2.9 Purchase of own shares

Subject to the Act and without prejudice to any relevant special rights attached to any class of shares, the Company may purchase any of its own shares of any class in any way and at any price (whether at par or above or below par).

2.10 General meetings

The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Act. The Board may call general meetings whenever and at such times and places as it shall determine.

2.11 Directors

2.11.1 *Appointment of Directors*

Unless otherwise determined by ordinary resolution, the number of Directors shall be not less than two but shall not be subject to any maximum in number. Directors may be appointed by ordinary resolution of Shareholders or by the Board.

2.11.2 *No share qualification*

A Director shall not be required to hold any shares in the capital of the Company by way of qualification.

2.11.3 At every annual general meeting held after the first annual general meeting after the date of adoption of the Articles, all Directors at the date of notice of annual general meeting shall retire from office.

2.11.4 *Remuneration of Directors*

The emoluments of any Director holding executive office for his services as such shall be determined by the Board, and may be of any description.

The ordinary remuneration of the Directors who do not hold executive office for their services (excluding amounts payable under any other provision of the Articles) shall not exceed in aggregate £2,000,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Subject thereto, each such Director shall be paid a fee for their services (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Board.

In addition to any remuneration to which the Directors are entitled under the Articles, they may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board, general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

The Board may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any past or present Director or employee of the Company or any of its subsidiary undertakings or any body corporate associated with, or any business acquired by, any of them, and for any member of his family or any person who is or was dependent on him and may contribute to any fund and pay premiums for the purchase or provision of any such benefit.

2.11.5 *Permitted interests of Directors*

Subject to the provisions of the Act, and provided that he has disclosed to the Board the nature and extent of his interest (unless the circumstances referred to in section 177(5) or section 177(6) of the Act apply, in which case no such disclosure is required), a Director notwithstanding his office:

2.11.5.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;

2.11.5.2 may act by himself or for his firm in a professional capacity for the Company (otherwise than as auditor), and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;

2.11.5.3 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is (directly or indirectly) interested as shareholder or otherwise or with which he has such a relationship at the request or direction of the Company; and

2.11.6 *Restrictions on voting*

A Director shall not vote at a meeting of the Board or a committee of the Board on any resolution of the Board concerning a matter in which he has an interest which can reasonably be regarded as likely to give rise to a conflict with the interests of the Company, unless his interest arises only because the resolution concerns one or more of the following matters:

2.11.6.1 the giving of a 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 subsidiary undertakings;

2.11.6.2 the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility (in whole or part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;

2.11.6.3 a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

2.11.6.4 a contract, arrangement, transaction or proposal concerning any other body corporate in which he or any person connected with him is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise, if he and any persons connected with him do not to his knowledge hold an interest (as that term is used in sections 820 to 825 of the Act) representing 1 per cent. or more of either any class of the equity share capital (excluding any shares of that class held as treasury shares) of such body corporate (or any other body corporate through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purpose of this Article to be likely to give rise to a conflict with the interests of the Company in all circumstances):

2.11.6.5 a contract, arrangement, transaction or proposal for the benefit of employees of the Company or of any of its subsidiary undertakings which does not award him any privilege or benefit not generally accorded to the employees to whom the arrangement relates; and

2.11.6.6 a contract, arrangement, transaction or proposal concerning any insurance which the Company is empowered to purchase or maintain for, or for the benefit of, any Directors or for persons who include Directors.

2.11.7 *Indemnity of officers*

Subject to the provisions of the Act, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every Director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) shall be indemnified out of the assets of the Company against any liability incurred by him for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, provided that this paragraph shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause this paragraph, or any element of it, to be treated as void under the Act.

3. Directors' and Senior Management's interests

3.1 The interests in the share capital of the Company of the Directors and Senior Management (all of which, unless otherwise stated, are beneficial or are interests of a person connected with a Director or a member of Senior Management) at Admission were as follows:

(A) Mid-point of the Price Range

	Immediately prior to Admission		Immediately following Admission	
Director / Member of Senior Management	**Number of Shares**	**Percentage of issued share capital**	**Number of Shares**	**Percentage of issued share capital**
Phil Nolan	—	—	9,091	0.003%
Olivier Brousse	—	—	45,455	0.013%
Patrick O'Donnell Bourke	—	—	45,455	0.013%
David Rough	—	—	9,091	0.003%
Jeremy Beeton	—	—	9,091	0.003%
Toby Hiscock	—	—	9,091	0.003%
Anne Wade	—	—	9,091	0.003%
Priscilla Davies	—	—	—	—
Guy Pigache	—	—	—	—
Derek Potts	—	—	34,091	0.009%
Chris Waples	—	—	34,091	0.009%
Carolyn Cattermole	—	—	22,727	0.006%

(B) Bottom of the Price Range

	Immediately prior to Admission		Immediately following Admission	
Director / Member of Senior Management	**Number of Shares**	**Percentage of issued share capital**	**Number of Shares**	**Percentage of issued share capital**
Phil Nolan	—	—	10,256	0.003%
Olivier Brousse	—	—	51,282	0.014%
Patrick O'Donnell Bourke	—	—	51,282	0.014%
David Rough	—	—	10,256	0.003%
Jeremy Beeton	—	—	10,256	0.003%
Toby Hiscock	—	—	10,256	0.003%
Anne Wade	—	—	10,256	0.003%
Priscilla Davies	—	—	—	—
Guy Pigache	—	—	—	—
Derek Potts	—	—	38,462	0.010%
Chris Waples	—	—	38,462	0.010%
Carolyn Cattermole	—	—	25,641	0.007%

(C) Top of the Price Range

	Immediately prior to Admission		Immediately following Admission	
Director / Member of Senior Management	Number of Shares	Percentage of issued share capital	Number of Shares	Percentage of issued share capital
Phil Nolan	—	—	8,163	0.002%
Olivier Brousse	—	—	40,816	0.012%
Patrick O'Donnell Bourke	—	—	40,816	0.012%
David Rough	—	—	8,163	0.002%
Jeremy Beeton	—	—	8,163	0.002%
Toby Hiscock	—	—	8,163	0.002%
Anne Wade	—	—	8,163	0.002%
Priscilla Davies	—	—	—	—
Guy Pigache	—	—	—	—
Derek Potts	—	—	30,612	0.009%
Chris Waples	—	—	30,612	0.009%
Carolyn Cattermole	—	—	20,408	0.006%

3.2 In so far as is known to the Directors, the following are the interests (within the meaning of Part VI of the Act) (other than interests held by the Directors) which represent, or will represent, directly or indirectly, 3 per cent. or more of the issued share capital of the Company assuming no exercise of the Over-allotment Option:

(A) Mid-point of the Price Range

	Immediately prior to Admission[(1)]		Immediately following Admission[(2)]	
Shareholders	Number of Shares	Percentage of issued share capital	Number of Shares	Percentage of issued share capital
Henderson Infrastructure Holdco (Jersey) Limited[(3)]	300,000,000	100%	197,397,727	54.9%

(1) The interests of Shares as at the date of this Prospectus have been stated on the basis that the steps described in paragraph 1.11 of this Part 14 have been completed in full.

(2) Assuming no exercise of the Over-allotment Option and that the Selling Shareholder sells sufficient number of Shares to achieve a free float of 45 per cent.

(3) As described in Part 13 "Details of the Offer", it is anticipated that shortly following Admission, Henderson Infrastructure Holdco (Jersey) Limited (the Selling Shareholder) will distribute all its Shares to HPC Nominees Limited.

(B) Bottom of the Price Range

	Immediately prior to Admission[(1)]		Immediately following Admission[(2)]	
Shareholders	Number of Shares	Percentage of issued share capital	Number of Shares	Percentage of issued share capital
Henderson Infrastructure Holdco (Jersey) Limited[(3)]	300,000,000	100%	201,551,282	54.9%

(1) The interests of Shares as at the date of this Prospectus have been stated on the basis that the steps described in paragraph 1.11 of this Part 14 have been completed in full.

(2) Assuming no exercise of the Over-allotment Option and that the Selling Shareholder sells sufficient number of Shares to achieve a free float of 45 per cent.

(3) As described in Part 13 "Details of the Offer", it is anticipated that shortly following Admission, Henderson Infrastructure Holdco (Jersey) Limited (the Selling Shareholder) will distribute all its Shares to HPC Nominees Limited.

(C) Top of the Price Range

	Immediately prior to Admission[1]		Immediately following Admission[2]	
Shareholders	Number of Shares	Percentage of issued share capital	Number of Shares	Percentage of issued share capital
Henderson Infrastructure Holdco (Jersey) Limited[3]	300,000,000	100%	194,091,836	54.9%

[1] The interests of Shares as at the date of this Prospectus ,836 have been stated on the basis that the steps described in paragraph 1.11 of this Part 14 have been completed in full.

[2] Assuming no exercise of the Over-allotment Option and that the Selling Shareholder sells sufficient number of Shares to achieve a free float of 45 per cent.

[3] As described in Part 13 "Details of the Offer", it is anticipated that shortly following Admission, Henderson Infrastructure Holdco (Jersey) Limited (the Selling Shareholder) will distribute all its Shares to HPC Nominees Limited.

Save as disclosed above, in so far as is known to the Directors, there is no other person who is or will be immediately following Admission, directly or indirectly, interested in 3 per cent. or more of the issued share capital of the Company, or of any other person who can, will or could, directly or indirectly, jointly or severally, exercise control over the Company. The Directors have no knowledge of any arrangements the operation of which may at a subsequent date result in a change of control of the Company. None of the Company's major shareholders have or will have different voting rights attached to the shares they hold in the Company.

3.3 No Director has or has had any interest in any transactions which are or were unusual in their nature or conditions or are or were significant to the business of the Group or any of its subsidiary undertakings and which were effected by the Group or any of its subsidiaries during the current or immediately preceding financial year or during an earlier financial year and which remain in any respect outstanding or unperformed.

3.4 There are no outstanding loans or guarantees granted or provided by any member of the Group to or for the benefit of any of the Directors.

3.5 The following table sets out the interests of the Selling Shareholder (all of which, unless otherwise stated, are beneficial or are interests of a person connected with the Selling Shareholder), prior to the Offer and the maximum number of Shares that the Selling Shareholder has indicated that it will make available in the Offer. The business address of the Selling Shareholder is Henderson Infrastructure Holdco (Jersey) Limited of 44 Esplanade, St Helier, Jersey JE4 9WG.

(A) Mid-point of the Price Range

	Shares owned prior to the Offer[1]		Number of Shares to be sold in the Offer[2]	
Selling Shareholder	No.	%	No.	%
Henderson Infrastructure Holdco (Jersey) Limited . . .	300,000,000	100%	102,602,273[1]	34.2%[1]

[1] The interests of Shares as at the date of this Prospectus have been stated on the basis that the steps described in paragraph 1.11 of this Part 14 have been completed in full.

[2] Assuming no exercise of the Over-allotment Option and that the Selling Shareholder sells sufficient number of Shares to achieve a free float of 45 per cent.

(B) Bottom of the Price Range

	Shares owned prior to the Offer[1]		Number of Shares to be sold in the Offer[2]	
Selling Shareholder	No.	%	No.	%
Henderson Infrastructure Holdco (Jersey) Limited	300,000,000	100%	98,448,718[1]	32.8%[1]

[1] The interests of Shares as at the date of this Prospectus have been stated on the basis that the steps described in paragraph 1.11 of this Part 14 have been completed in full.

[2] Assuming no exercise of the Over-allotment Option and that the Selling Shareholder sells sufficient number of Shares to achieve a free float of 45 per cent.

(C) Top of the Price Range

	Shares owned prior to the Offer[1]		Number of Shares to be sold in the Offer[2]	
Selling Shareholder	**No.**	**%**	**No.**	**%**
Henderson Infrastructure Holdco (Jersey) Limited	300,000,000	100%	105,908,164[1]	35.3%[1]

[1] The interests of Shares as at the date of this Prospectus have been stated on the basis that the steps described in paragraph 1.11 of this Part 14 have been completed in full.

[2] Assuming no exercise of the Over-allotment Option and that the Selling Shareholder sells sufficient number of Shares to achieve a free float of 45 per cent.

4. Directors' terms of employment

4.1 The Directors and their functions are set out in Part 7 "Directors, Senior Management and Corporate Governance". On 16 January 2015, each of the Executive Directors entered into a new service agreement with the Company and, on or shortly prior to 16 January 2015, the Chairman and Non-Executive Directors entered into new letters of appointment with the Company. The agreements are conditional on, and become effective from, Admission.

4.2 Executive Directors

4.2.1 On and from the date of Admission, Olivier Brousse will receive an annual basic salary of £430,000 per annum and Patrick O'Donnell Bourke will receive an annual basic salary of £333,000 per annum.

4.2.2 From Admission, each Executive Director will also be eligible to participate in the John Laing Group plc Long-Term Incentive Plan 2015 (also described at paragraph 5.9 below), cash bonus scheme and John Laing Group plc Deferred Share Bonus Plan 2015 (described at paragraph 5.36 below).

4.2.3 Each Executive Director's service agreement is terminable by either party on 12 months' notice. The Company is entitled to terminate the Executive Directors' employment by payment of a cash sum in lieu of notice equal to salary and the cost to the Company of providing contractual benefits (other than bonus) during what would otherwise have been the notice period. The payment in lieu of notice can, at the Company's discretion, be paid as a lump sum or in equal monthly instalments over the notice period. There is a mechanism in the agreement to reduce the instalments where the Executive Director commences alternative employment during the notice period.

4.2.4 For the financial year ending 31 December 2015, each Executive Director will be eligible for a non-pensionable annual bonus with a maximum bonus opportunity of 100 per cent of his annual basic salary.

4.2.5 Any bonus is discretionary and subject to the achievement of performance conditions, which will be set by the remuneration committee and are expected to be linked to the Company's financial performance and personal performance. To the extent any bonus exceeds the target amount (the target amount being 60 per cent. of annual basic salary for 2015), the full amount of any excess will be deferred in Shares under the terms of the Deferred Share Bonus Plan. Awards under the John Laing Group plc Deferred Share Bonus Plan 2015 will vest in equal tranches on the first, second and third anniversaries of the date of award, subject ordinarily to continued employment.

4.2.6 Each Executive Director also receives private health insurance, life insurance and income protection insurance. In relation to pensions, Olivier Brousse receives, in lieu of pension, a salary supplement equal to 15 per cent. of his annual basic salary, and Patrick O'Donnell Bourke receives a salary supplement equal to 15 per cent. of his annual basic salary. Patrick O'Donnell Bourke also receives a car allowance. Each Executive Director is entitled to reimbursement of reasonable expenses incurred by him in the performance of his duties.

4.2.7 Both Olivier Brousse and Patrick O'Donnell Bourke participate in existing long-term incentive arrangements. Under the terms of exit-related incentive plan arrangements, Olivier Brousse will be entitled to receive a cash payment of £750,000 and Patrick O'Donnell Bourke will be entitled to receive a cash payment of £500,000, with, in each case, 50 per cent. of the award becoming payable on or shortly after Admission and the remainder becoming payable on the first anniversary of Admission. Payment is subject to continuing employment with the Group at the date of payment unless the recipient's employment comes to an end in good leaver circumstances, namely ill-health, death, redundancy, retirement with the employer's agreement, the recipient's employer ceasing to be a member of the Group or the business in which the recipient works being sold out of the Group (with discretion for the remuneration committee to pro-rate the payment for a good leaver). Patrick O'Donnell Bourke is also entitled to receive outstanding deferred amounts under prior annual long-term incentive plan arrangements that will be discontinued on Admission. Under these arrangements, Patrick O'Donnell Bourke will be entitled to a cash payment of £272,500, that will be payable on or as soon as reasonably practicable after Admission and a further cash payment of £272,500, to be paid on or as soon as reasonably practicable after the first anniversary of Admission. Payment is subject to the same requirements as to continuing employment and the same good leaver provisions as apply to the exit-related long-term incentive plan, save that there is no provision for pro-rating for a good leaver. Given his length of service, Olivier Brousse has no entitlement in relation to prior annual long-term incentive plan arrangements. No further awards will be made to Olivier Brousse or Patrick O'Donnell Bourke under these long-term incentive arrangements.

4.2.8 Olivier Brousse and Patrick O'Donnell Bourke have each agreed (to the extent that they have not reached their individual target under the Company's shareholding guidelines by that date) to apply 50 per cent. of the net payment that will vest under these existing long-term incentive arrangements on the first anniversary of Admission to acquire Shares that will be held in accordance with the Company's shareholding guidelines. They have each also agreed to subscribe for Shares with a value of £100,000 on Admission, also to be held in accordance with the Company's shareholding guidelines. They may apply payments received at Admission under existing long-term incentive arrangements to acquire such Shares, but are not required to do so.

4.2.9 Each Executive Director is subject to a confidentiality undertaking without limitation in time and to non-competition, non-solicitation of clients and customers, non-solicitation of employees and non-interference with suppliers' restrictive covenants for a period of 6 months (less any period spent on garden leave) after the termination of his employment arrangements.

4.2.10 The Company has customary directors' and officers' indemnity insurance in place in respect of each of the Executive Directors. The Company has entered into a qualifying third party indemnity (the terms of which are in accordance with the Companies Act 2006) with each of the Executive Directors.

4.3 Chairman and Non-Executive Directors

4.3.1 On and from the date of Admission, Phil Nolan is entitled to receive an annual fee of £180,000 as Chairman. His appointment as Chairman is terminable by either party giving to the other six months' written notice or at any time in accordance with the articles of association of the Company (without prejudice to his right to receive six months' payment in lieu of notice unless Phil Nolan's removal in accordance with the articles of association is as a result of a serious default on his part). His letter of appointment states that his appointment is expected to last for at least three years but will be subject to annual re-election by the Company in general meeting.

4.3.2 The appointments of David Rough, Jeremy Beeton, Toby Hiscock, Anne Wade, Priscilla Davies and Guy Pigache are for initial terms of three years, save that, in the case of Priscilla Davies and Guy Pigache, their on-going appointment will be subject to the terms of the Relationship Agreement described in paragraph 4 of Part 7 "Directors, Senior Management and Corporate Governance". They are subject to annual re-election by the Company in general meeting. Their appointments may be terminated at any time upon written notice or in accordance with the articles of association of the Company or upon their resignation.

4.3.3 Each of David Rough, Jeremy Beeton, Toby Hiscock and Anne Wade is entitled to an annual fee of £45,000. Toby Hiscock is entitled to an additional annual fee of £15,000 for his role as chairman of the audit committee. David Rough is entitled to an additional annual fee of £10,000 for his role as Senior Independent Director and Anne Wade is entitled to an additional annual fee of £10,000 for her role as chairman of the remuneration committee. No fees are payable to Priscilla Davies or Guy Pigache.

4.3.4 The Chairman and the Non-Executive Directors are entitled to reimbursement of reasonable expenses.

4.3.5 The Non-Executive Directors are not entitled to receive any compensation on termination of their appointment. Neither the Chairman nor the Non-Executive Directors are entitled to participate in the Company's share, bonus or pension schemes.

4.3.6 The Company has customary directors' and officers' indemnity insurance in place in respect of the Chairman and the Non-Executive Directors. The Company has entered into a qualifying third party indemnity (the terms of which are in accordance with the Companies Act 2006) with the Chairman and each of the Non-Executive Directors.

4.4 Save as set out above, there are no existing or proposed service agreements or letters of appointment between the Directors and any member of the Group.

4.5 Forward-looking Remuneration Policy

4.5.1 In anticipation of Admission, a review has been undertaken of the Group's remuneration policy for senior management (which includes the two Executive Directors and members of Senior Management) in order to ensure its appropriateness for a listed company environment. In undertaking this review, independent, specialist advice was sought.

4.5.2 The aim of the remuneration policy is to attract, retain and motivate high calibre senior management and to focus them on the delivery of the Group's strategic and business objectives, to promote the long-term success of the Company, to create a strong and sustainable performance culture and to align the interests of Executive Directors and members of Senior Management with those of shareholders through encouraging equity ownership (including by way of bonus deferral and share ownership guidelines). In promoting these objectives, the remuneration policy aims to ensure that no more than is necessary is paid and has been structured so as to adhere to the principles of good corporate governance.

4.5.3 In connection with these aims, the Company has adopted, conditional upon Admission, several new share plans. These are: the John Laing Group plc Long-Term Incentive Plan 2015 (the "LTIP"), the John Laing Group plc Deferred Share Bonus Plan 2015 (the "DSBP") and the John Laing Group plc Restricted Share Award Plan 2015 (the "RSAP"). Executive Directors will be eligible to participate in the first two of these plans, but not the RSAP.

4.5.4 Taking account of the experience and calibre of the Executive Directors and other members of Senior Management, salaries and packages applying post-Admission have been set taking into account the Group's needs and objectives, but also with due consideration for general market practice, with particular reference to remuneration arrangements in companies of a similar size and complexity and other broadly comparable companies, and to take account of pay practices within the Company generally. Fixed pay and total target remuneration has been positioned broadly in line with market rates, with a material weighting towards variable pay, with variable pay itself weighted towards long-term performance. The constituent elements of the remuneration package for Executive Directors are described in paragraph 4.2 above and the employee share plans are described in paragraph 5.

4.5.5 With effect from Admission, the remuneration committee and the Board will adopt share ownership guidelines under which each Executive Director is required to build and maintain a shareholding in the Company equivalent in value to 100 per cent. of his basic salary. The Executive Directors have each agreed to subscribe for Shares with a value of £100,000 on Admission to be held in accordance with the share ownership guidelines and (to the extent the shareholding guideline has not been reached by that date) to apply 50 per cent. of the net amount vesting under existing long-term incentive arrangements on the first anniversary of Admission to acquire Shares also to be held in accordance with the share ownership guidelines. Under the guidelines, Executive Directors will be expected to retain all Shares that vest under the LTIP and the DSBP (save to permit the sale of such number of Shares as may be required to meet any tax liability arising on the vesting of such awards) until such time as the guideline amount has been reached.

4.6 Directors' and Senior Management's Remuneration

Under the terms of their service contracts, letters of appointment and applicable incentive plans, in the year ended 31 December 2014, the aggregate remuneration and benefits of the directors of the Company and the Senior Management of the Group who served during the year ended 31 December 2014, consisting of seven individuals, was £3.7 million.

Under the terms of their service contracts, letters of appointment and applicable incentive plans, in the year ended 31 December 2014, the directors of the Company were remunerated as set out below:

Name	Position	Annual Salary (£)	Other Benefits (£)	Date of Joining the Group
Phil Nolan	Non-Executive Chairman	130,000	300,000	January 2010
Olivier Brousse	Chief Executive Officer	350,000	348,028	March 2014
Patrick O'Donnell Bourke	Group Finance Director	333,000	425,078	May 2011
David Rough	Senior Independent Director	—	—	December 2014*
Jeremy Beeton	Independent Non-Executive Director	—	—	December 2014*
Toby Hiscock	Independent Non-Executive Director	65,000	100,000	June 2009
Anne Wade	Independent Non-Executive Director	—	—	December 2014*
Priscilla Davies	Non-Executive Director	—	—	March 2010
Guy Pigache	Non-Executive Director	—	—	December 2006

* Directorship effective February 2015, conditional upon Admission.

4.7 There is no arrangement under which any Director has waived or agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document.

4.8 Directors' and Senior Management's current and past directorships and partnerships

Set out below are the directorships (unless otherwise stated) and partnerships held by the Directors and members of Senior Management (other than, where applicable, directorships held in the Company and/or in any subsidiaries of the Company), in the five years prior to the date of this document:

Name	Current directorships / partnerships	Past directorships / partnerships
Phil Nolan	Affinity Water Acquisitions (Investments) Limited Affinity Water Limited EnQuest plc Providence Resources Plc Ulster Bank Limited Nalon Management Services Ltd. Ulster Bank Ireland Limited	De La Rue PLC Infinis Capital Limited Infinis Energy Holdings Limited Infinis plc Infinis Wind Holdings Limited Irish Management Institute John Laing Limited Novera Acquisitions Limited Novera Energy Limited Sepura Plc
Olivier Brousse	John Laing Limited Grosvenor Park 2004 Film Partnership No. 1 LLP The Invicta Film Partnership No. 14 Brive Rugby Club 1001 Fontaines (Charity)	Stereau (UK) Limited Saur International Macheix Vidange Assainissement Blue Green European Holdings Novasaur SAS Finasaur SAS FG4 Investisaur Leisure Supply Plus—L.S.P. Holding d'Infrastructure des Métiers de l'Environnement Saur Stereau Saur Polska SP. Z.O.O. Saur Loisirs Marafiq Saur Opération & Maintenance Co. (MASA) EMALSA Collectes Valorisation Energie Déchets
Patrick O'Donnell Bourke	John Laing Holdco Limited John Laing Homes Limited John Laing Limited John Laing Services Limited John Laing Investments Limited Laing Investments Management Services Limited Laing Property Holdings Limited Affinity Water Limited	Electricinvest Limited Power NI Energy Limited Viridian Capital (UK) Limited Viridian Capital Limited Viridian Group Holdings Limited Viridian Group Investments Limited Viridian Group Limited Viridian Power and Energy Holdings Limited
David Rough	Brown Shipley & Co. Limited Changing Faces	Land Securities Capital Markets plc Land Securities Group plc Legal & General Insurance Limited LME Holdings Limited LS Property Finance Company Limited Xstrata Limited Xstrata plc
Jeremy Beeton	A. Proctor Group Limited A. Proctor Insulation Limited Royal Imtech NV SSE Plc Tanah Merah Limited MerseyLink Limited	Arqiva Broadcast Finance plc Arqiva Broadcast Holdings Limited Arqiva Broadcast Intermediate Limited Arqiva Broadcast Parent Limited Arqiva Financing No 1 Limited Arqiva Financing No 2 Limited Arqiva Financing No 3 plc Arqiva Financing plc Arqiva Group Holdings Limited Arqiva Group Intermediate Limited Arqiva Group Parent Limited Arqiva Holdings Limited Arqiva International Holdings Limited Arqiva Limited Arqiva PP Financing plc Arqiva Senior Finance Limited Arqiva Services Limited Arqiva Smart Financing Limited Arqiva Smart Holdings Limited Arqiva Smart Metering Limited Arqiva Smart Parent Limited Arqiva Telecoms Investment Limited Arqiva UK Broadcast Holdings Limited Olympic Park Legacy Company Limited

Name	Current directorships / partnerships	Past directorships / partnerships
Toby Hiscock	Henderson Asia Pacific Absolute Return Fund I Inc. Henderson Asia Pacific Absolute Return Master Fund Inc. Henderson Diversified Growth SICAV-FIS Henderson Diversified Portfolio Limited Henderson European ABS Opportunity Fund Limited The AlphaGen Relative Value Agriculture Fund Limited The AlphaGen Relative Value Master Fund Limited The AlphaGen Multi-Strategy Fund Limited The AlphaGen Multi-Strategy Master Fund Limited The AlphaGen Japan Absolute Return Fund Limited The AlphaGen Japan Select Absolute Return Fund Limited The AlphaGen Japan Select Absolute Return Master Fund Limited The AlphaGen Liquidity Events Fund Limited The AlphaGen Liquidity Events Master Fund Limited The AlphaGen Lutra Fund The AlphaGen Long Short Agriculture Fund Limited The AlphaGen Long Short Agriculture Master Fund Limited The AlphaGen Rigel Fund Limited The AlphaGen Rigel Master Fund Limited	Henderson Agricultural Fund Limited Henderson Asia Pacific Absolute Return Fund Limited Henderson Asia Pacific Multi Strategy Fund Limited Henderson Asia Pacific Multi Strategy Master Fund Limited Henderson Asia Pacific Select Absolute Return Fund Limited Henderson Asia Pacific Select Absolute Return Master Fund Limited Henderson Credit Long Short Fund Limited Henderson Credit Long Short Master Fund Limited Henderson Credit Opportunities Fund Limited Henderson European Absolute Return Fund Limited Henderson European Managed Absolute Return Fund Limited Henderson European Select Absolute Return Fund Limited Henderson European Style Rotational Long Short Fund Limited Henderson European Style Rotational Long Short Master Fund Limited Henderson Global Currency Fund I Limited Henderson Global Currency Master Fund Limited Henderson Global Macro Fund Limited Henderson Japan Absolute Return Fund 1 Inc. Henderson Japan Absolute Return Fund Limited Henderson North American Equity Multi Strategy Fund Limited Henderson North American Equity Multi Strategy Master Fund Limited Henderson Pan European Equity Multi Strategy Fund Limited Henderson Total Return Fund Limited Henderson UK Equity Long Short Fund Limited John Laing Limited
Anne Wade	Big Society Capital Limited Guidestar International Holcim Ltd	Advance Advocacy and Non-Violence Community Education Capital International Research, Inc. ICR Global Foundation (UK) Limited
Priscilla Davies	Henderson Equity Partners Limited Henderson Equity Partners (GP) Limited Henderson Equity Partners Funds Limited Henderson Equity Partners Jersey (GP) Limited Henderson Equity Partners Limited Henderson Infrastructure Holdco (Jersey) Limited HEP (GP) Limited HEP Investments (HK) Limited HEP Mauritius Limited HGP2 Limited HGP3 Limited HGP4 Limited HGP5 Limited HPC (Mauritius) Limited HPC Nominees Limited	Henderson Property UK AIFM Limited John Laing Holdco Limited John Laing Limited

Name	Current directorships / partnerships	Past directorships / partnerships
Guy Pigache	Henderson Equity Partners (GP) Limited Henderson Infrastructure Holdco (Jersey) Limited HEP (GP) Limited HGP2 Limited HGP3 Limited HGP4 Limited HGP5 Limited HPC Nominees Limited HPFI Finance Sarl	John Laing Capital Management Limited John Laing Homes Limited John Laing Limited John Laing Holdco Limited Laing Property Holdings Limited Sebergham Nominees Limited Catchment Tay Holdings Ltd Catchment Tay Limited Henderson Property Nominees Limited HEP Infrastructure (GP) Limited HEP Projects (GP) Limited Palecastle Limited Wadefree Limited HPC BAS Limited HPC Bishop Auckland Hospital Limited HWT Limited Scotia Water Dalmuir (Holdings) Limited Scotia Water Dalmuir Limited Community Schools Holdings Ltd.
Derek Potts	Laing Investments Management Services (Singapore) Limited John Laing Infrastructure Limited John Laing Infrastructure Holdings GmbH John Laing Limited John Laing Social Infrastructure Limited John Laing Investments Limited Laing Infrastructure Holdings Limited Laing Investments Management Services (Australia) Limited Laing Investments Management Services (Canada) Limited Laing Investments Management Services Limited Sebergham Nominees Limited Hungary M6 Limited	Autolink Concessionaires (M6) PLC Autolink Holdings (M6) Limited Citylink Telecommunications Limited Citylink Telecommunications Holdings Ltd Coastal Clear Water Limited Coastal Clear Water (Holdings) Limited John Laing Investments (A8 Mobil Holdings) Limited John Laing (USA) Limited Regenter Limited Regenter Management Services Limited Laing Investments Management Services (Europe) Limited UK Highways A1 Limited
Chris Waples	John Laing Infrastructure Limited John Laing Limited John Laing Social Infrastructure Limited John Laing Investments Limited Laing Investments Management Services Limited Laing Property Holdings Limited Modus Services (Holdings) Limited Modus Services Limited Sebergham Nominees Limited Viridor Laing (Greater Manchester) Limited Viridor Laing (Greater Manchester) Holdings Limited	ELWA Limited ELWA Holdings Limited John Laing Integrated Services Limited Regenter Management Services Limited Regenter Limited Shanks Dumfries and Galloway Holdings Limited Shanks Dumfries and Galloway Limited Capital Hospitals (Holdings) Ltd. Capital Hospitals (Issuer) PLC Capital Hospitals Ltd. Equion Health (Barts) Limited Falcon Mechanical Services Limited John Laing Investments Abbotsford (UK) Limited John Laing Investments Vancouver (UK) Limited Nationwide Building Services Group Limited Nationwide FM Limited Nationwide Maintenance Limited Primary Plus (Holdings) Limited Primary Plus Limited
Carolyn Cattermole	John Laing Holdco Limited John Laing Investments Limited John Laing Limited Laing Investments Management Services Limited Sebergham Nominees Limited Hungary M6 Limited Wimpey Laing Limited	A. A. Griggs and Company Limited Abbey Corrugated Limited Ashton Corrugated Ashton Corrugated (Midlands) Limited Ashton Corrugated (Southern) Limited Ashton Corrugated Pension Trustees Limited Avonbank Paper Disposal Limited Biber Paper Converting Limited Calara Holding Limited Cambridge Box Limited Carlisle Printers Limited Conew Limited Corrugated Products Limited Corruplast Limited D.W. Plastics (UK) Limited Daniels (Cam) Limited

Name	Current directorships / partnerships	Past directorships / partnerships
		David S Smith (Pension Contributions) Limited
		David S Smith Packaging (Poland) Limited
		David S. Smith (Netherlands) BV
		David S. Smith Nominees Limited
		David S. Smith Plastics Limited
		Decorprint Limited
		DS Smith (Holdings) BV
		DS Smith (UK) Limited
		DS Smith Dormant Eight Limited
		DS Smith Dormant Five Limited
		DS Smith Dormant Four Limited
		DS Smith Dormant Seven Limited
		DS Smith Dormant Three Limited
		DS Smith Euro Finance Limited
		DS Smith Finco Limited
		DS Smith Fulfilment Limited
		DS Smith Holdings Limited
		DS Smith International Limited
		DS Smith Italy BV
		DS Smith Italy Limited
		DS Smith Logistics Limited
		DS Smith Packaging Limited
		DS Smith Paper Limited
		DS Smith Plastics Limited
		DS Smith Plc
		DS Smith Sudbrook Limited
		DS Smith Supplementary Life Cover Scheme Limited
		DS Smith Ukraine Limited
		DSS Eastern Europe Limited
		DSS ESOP Trustees Limited
		DSS Flexibles Limited
		DSS Insurances Limited
		DSS Packaging Systems Limited
		DSS Poznan Limited
		DSS QUEST Trustees Limited
		DSSH No. 1 Limited
		F.W. Corrugated Cases Limited
		First4Boxes Limited
		Grovehurst Energy Limited
		Higher Kings Mill Limited
		JDS Holding
		Miljoint Limited
		Multigraphics Holdings Limited
		Multigraphics Limited
		Multigraphics Services Limited
		Norpack Services Limited
		Otor Finance SA
		Otor SA
		Packaging Service Centre Limited
		Pavidda Paper Limited
		Priory Packaging Limited
		R. W. Kent Severnside Limited
		rapak psi Limited
		Reed & Smith Limited
		Shorepac Limited
		Space Age Office Limited
		Spicers Holding Limited
		Spicers Limited
		SRP New Thames Limited
		St. Regis Holdings plc
		St. Regis International Limited
		St. Regis Packaging Limited
		St. Regis Pension Trustees Limited
		The New Taplow Paper Mills Limited
		The Wansbrough Paper Company Limited
		TheBannerPeople.Com Limited
		Tillotsons (Liverpool) Limited
		Tillotsons Corrugated Cases Limited
		Tomeast Limited
		Treforest Mill plc
		Trentside Recycling Limited
		W. Rowlandson & Company Limited
		Waddington & Duval Limited
		Whitebeech Limited

4.9 Within the period of five years preceding the date of this document, none of the Directors:

(i) has had any convictions in relation to fraudulent offences;

(ii) has been a member of the administrative, management or supervisory bodies or director or senior manager (who is relevant in establishing that a company has the appropriate expertise and experience for management of that company) of any company at the time of any bankruptcy, receivership or liquidation of such company; or

(iii) has received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of affairs of a company.

5. Employee share plans

5.1 *Acceleration of existing long-term incentive plan and Offer-related incentive arrangements*

Prior to Admission, the Group had a long-term incentive plan in which a number of Group employees participated (including the Executive Directors, as described in paragraph 4.2.7 above). Completion of the Offer will crystallise participants' entitlements under this arrangement although payments to participants will be split into two tranches. Accordingly, the Company expects to pay £2.2 million shortly following Admission, and a further £2.3 million on the first anniversary of Admission. In the combined balance sheet as at 30 September 2014, the Group had accrued £4.0 million in respect of this arrangement.

Separately, £3.0 million is payable to a number of employees under Offer-related incentive arrangements (including the Executive Directors, as described in paragraph 4.2.2 above). These costs are included in the expenses of the Offer, which are estimated to be approximately £10 million.

5.2 Following Admission, the Company intends to operate the following employee share plans: the John Laing Group plc Long-Term Incentive Plan 2015 ("LTIP"), the John Laing Group plc Deferred Share Bonus Plan 2015 ("DSBP") and the John Laing Group plc Restricted Share Award Plan 2015 ("RSAP"), all of which were adopted by the Board on 26 January 2015, subject to Admission. The LTIP, the DSBP and the RSAP are proposed to be introduced for the purpose of incentivising and motivating John Laing's employees following Admission.

Details of initial awards to be made

5.3 The remuneration committee intends to make the following initial awards shortly after Admission under the employee share plans:

LTIP

5.4 The remuneration committee intends to make initial awards shortly after Admission under the LTIP. An initial award will made to Olivier Brousse in respect of Shares with a value of 175 per cent. of his annual basic salary, and to Patrick O'Donnell Bourke in respect of Shares with a value of 150 per cent. of his annual basic salary. It is also envisaged that initial awards will be made to up to approximately 40 other senior employees within the Group.

5.5 50 per cent. of the Shares comprised in a participant's initial LTIP award will be subject to a performance condition measuring the Company's total shareholder return ("TSR") performance against a comparator group of selected companies, including, without limitation, constituents of the FTSE250 index, as at the date of grant over a three year performance period. 25 per cent. of the Shares in the TSR tranche will vest for median performance and 100 per cent. of the Shares in the TSR tranche will vest for upper quartile performance (with vesting on a straight line basis between these points).

5.6 50 per cent. of the Shares comprised in a participant's initial LTIP award will be subject to a performance condition measuring the percentage increase in the Company's net asset value per Share ("NAV") (adjusted to include the value of any dividends (on a per share basis) paid to or approved by shareholders over a three year performance period. 25 per cent. of the Shares in the NAV tranche will vest for threshold performance and 100 per cent. of the Shares in the NAV

Tranche will vest for achieving stretch targets (with vesting on a straight line basis between these points).

RSAP and DSBP

5.7 Awards will not be made in 2015 under the RSAP or the DSBP.

Summary of employee share plans

5.8 The principal features of the employee share plans are summarised below.

THE LONG-TERM INCENTIVE PLAN

Overview of the LTIP

5.9 The LTIP was adopted by the Board on 26 January 2015, subject to Admission, and provides for two types of share incentive to be granted (each an "LTIP Award"):

(i) a conditional share award, which entitles a participant to receive Shares for no payment; and

(ii) a share option to acquire Shares at a nil (or nominal) exercise price.

The remuneration committee may also decide to grant cash-based phantom awards of equivalent value to share-based awards or to satisfy share-based awards in cash.

5.10 LTIP Awards are not pensionable and may be granted over newly issued Shares, Shares held in treasury or Shares purchased in the market.

5.11 The LTIP will terminate on the 10th anniversary of its adoption but the rights of existing participants at that point will not be affected.

Eligibility

5.12 All of the Company's employees, including its Executive Directors and employees of the Company's subsidiaries, will be eligible to participate in the LTIP at the discretion of the remuneration committee.

Grant of LTIP Awards

5.13 Subject to any applicable dealing restrictions, the remuneration committee may grant LTIP Awards under the LTIP during the period of 42 days commencing on either (i) the date of Admission, (ii) the announcement of the Company's results for any period or (iii) at such other time as the remuneration committee considers that exceptional circumstances exist that justify a grant.

5.14 No payment will be required for the grant of an LTIP Award. LTIP Awards are personal to the participant and may not be transferred, except on death.

Individual limits

5.15 The remuneration committee will determine the appropriate level of grant for participants. However, the maximum number of Shares under LTIP Awards granted to a participant in any financial year will have an aggregate market value, as measured at the date of grant, not exceeding 200 per cent of the participant's base salary.

5.16 Market value will be based on the closing middle market quotation for a Share as derived from the Official List for the dealing day immediately preceding the date of grant.

Plan limits

5.17 To the extent that Shares are to be issued to satisfy options or awards under the LTIP:

(i) no options or awards may be granted under the LTIP or any other employee share plan if it would cause the aggregate number of Shares issued or issuable pursuant to options or other rights to subscribe Shares which have been granted in the period following Admission up to the preceding 10 years under the LTIP and any other employee share plan operated by the Company to exceed 10 per cent of the Company's issued share capital at the proposed date of grant; and

(ii) no options or awards may be granted under the LTIP, the DSBP, the RSAP or any other discretionary executive share plan (together the "Executive Share Plans") if it would cause the aggregate number of Shares issued or issuable pursuant to options or other rights to subscribe Shares which have been granted in the period following Admission and up to the preceding 10 years under any Executive Share Plan operated by the Company to exceed 5 per cent of the Company's issued share capital at the proposed date of grant.

5.18 Shares held in treasury will be treated as newly issued for the purpose of this limit until such time as guidelines published by institutional investor representative bodies recommend otherwise. Shares purchased in the market to satisfy awards will not count towards this limit.

Dividend equivalents

5.19 The remuneration committee may elect to make a payment (in cash and/or shares) to participants at the time of delivery of vested Shares in respect of the number of Shares which vest under an LTIP Award to reflect the value of dividends that would have been paid on such Shares during the vesting period. This amount may take into account the reinvestment of dividends.

Performance conditions

5.20 LTIP Awards will be subject to performance conditions imposed by the remuneration committee at the date of grant. Performance conditions will generally be measured over a period of at least three years. The extent to which the performance conditions are satisfied will determine how many (if any) of the Shares under an LTIP Award a participant is entitled to acquire. Performance conditions will not be capable of being retested, so that any proportion of LTIP Award which does not vest on the vesting date will lapse.

5.21 As a general principle, performance conditions will be demanding and stretching. Vesting levels will be determined on a sliding scale by reference to achievement of the performance conditions. The performance conditions that will apply to initial LTIP Awards are described at paragraphs 5.5 and 5.6 above. The remuneration committee has the discretion to set different performance conditions for subsequent awards provided that, in the remuneration committee's reasonable opinion, the new targets are not materially less challenging in the circumstances.

5.22 The remuneration committee may vary the performance conditions applying to existing LTIP Awards if an event occurs which causes the remuneration committee to consider that it would be appropriate to amend the performance conditions provided the variation is fair and reasonable and the new conditions are, in the reasonable opinion of the remuneration committee, materially no more or less difficult to satisfy than the original conditions but for the event in question.

Holding Period

5.23 Subject to a relaxation to enable the sale of such number of Shares as may be required to meet any tax liability arising on vesting or exercise, Executive Directors will be required to retain any Shares that vest or become exercisable under an LTIP Award for a minimum period of two years after the vesting date.

Vesting of LTIP Awards

5.24 LTIP Awards will usually vest on the later of (i) the third anniversary of the date of grant or on such later date as the applicable performance period expires and (ii) the date on which the remuneration committee assesses the extent to which any applicable performance conditions have been satisfied, provided (ordinarily) that the participant remains employed within the Group at that time. Vested share awards will be released to participants within 30 days of the vesting date. Vested share options will be exercisable within the period of 10 years after the date of grant after the vesting date and released to participants automatically within 30 days of the date on which the option is exercised. All such Shares will be subject to the holding period described in paragraph 5.23 above.

Cessation of employment

5.25 LTIP Awards will normally only vest if the participant remains in employment with the Company or one of its subsidiaries or holds office within the Group at the vesting date. If a participant leaves employment and no longer holds any office within the Group during the vesting period LTIP Awards will normally lapse.

5.26 However, if the reason for leaving is injury, disability, redundancy, retirement with the agreement of the participant's employer, the sale of the participant's employer or the business in which he is employed out of the Group or any other reason at the remuneration committee's discretion, LTIP Awards will not lapse but will vest on the normal vesting date, to the extent that the remuneration committee determines that the performance conditions have been satisfied over the full performance period but subject to a time pro rating reduction (based on the total number of complete months from the date of grant to the cessation of employment relative to the length of the vesting period). Alternatively, the remuneration committee may, in its absolute discretion, determine that LTIP Awards should vest on a date following the date of cessation of employment but prior to the normal vesting date, subject to the satisfaction of the performance conditions at such date and to a time pro rating reduction. If a participant dies, the LTIP Award will ordinarily vest on the date of death unless the remuneration committee decides it should vest on the normal vesting date, in either case subject to the satisfaction of performance conditions at the relevant time and to a time pro rating reduction.

5.27 In any of the circumstances described in paragraph 5.26, the remuneration committee may determine that the pro rating reduction should not apply at all or should apply to a lesser extent if it considers that exceptional circumstances justify such treatment.

Malus and Clawback

5.28 The Company has the right, before an LTIP Award vests, to reduce the number of Shares over which the award was granted in certain circumstances, comprising a material misstatement of audited accounts, and/or where there has been an error or reliance on misleading information when assessing the size of the LTIP Award that was granted.

5.29 The Company also has the right to require the transfer back to the Company of any benefit received by a participant on the vesting of an LTIP Award at any time during the three year period after the vesting date for that LTIP Award if there has been a material misstatement of audited accounts resulting in the over-vesting of the award, there has been an error in assessing any applicable performance condition or in calculating the number of shares vesting, resulting in an over-vesting of the award and/or it is discovered that the participant could reasonably have been dismissed during the vesting period as a result of his misconduct. The amount to be clawed back may be satisfied by the reduction in any future bonus to be awarded to the participant or a reduction in the vesting of outstanding LTIP Awards or any other long-term incentive awards or by the payment of a cash amount by the participant.

Variation of capital

5.30 In the event of any variation in the Company's share capital (including a rights issue or any sub-division or consolidation of the Company's share capital), or a demerger, special dividend or other similar event which affects the market price of a Share to a material extent, the remuneration committee may adjust the number of Shares under an LTIP Award.

Corporate events

5.31 In the event of a change of control or voluntary winding-up, unvested LTIP Awards will vest to the extent that the performance conditions have been satisfied at the time of the relevant event but subject to a time pro rating reduction (based on the number of complete months from the date of grant to the date of the relevant event relative to the length of the vesting period for the relevant LTIP Award). The remuneration committee may determine that the pro rating reduction should not apply at all or should apply to a lesser extent where it considers that exceptional circumstances apply. LTIP Awards granted in the form of options will be deemed to have been automatically exercised on the relevant vesting date.

5.32 The remuneration committee may also require LTIP Awards to be exchanged for equivalent awards over shares in a new holding company if the change of control of the Company is part of an internal corporate reorganisation (unless the remuneration committee decides otherwise, in which case LTIP Awards will vest on the same basis as described in paragraph 5.31).

5.33 In the event that a demerger, special dividend or other similar event is proposed which, in the opinion of the remuneration committee, would affect the price of a Share to a material extent, the remuneration committee may decide that LTIP Awards will vest on the same basis as described in paragraph 5.31.

Amendments

5.34 The remuneration committee may amend the LTIP in any respect. However, provisions governing eligibility requirements, the limits on the number of Shares available for LTIP Awards, the maximum entitlement of participants, the basis for determining a participant's entitlement and the adjustment of LTIP Awards following a variation of the Company's share capital may not be altered to the advantage of participants without the prior approval of shareholders in general meeting (with the exception of minor amendments made to benefit the administration of the LTIP to take account of a change in legislation or to obtain or maintain favourable (or avoid unfavourable) tax, exchange control or regulatory treatment for eligible employees, participants or for any company in the Group).

5.35 No alteration to the material disadvantage of participants may be made without the prior consent of a majority of those participants who reply to a request for their consent.

THE DEFERRED SHARE BONUS PLAN

Overview of the DSBP

5.36 The DSBP was adopted by the Board on 26 January 2015, subject to Admission and will operate in conjunction with the Company's executive bonus scheme. The DSBP will first operate in respect of the annual bonus earned for the 2015 financial year, with the first awards under the DSBP to be made in 2016.

5.37 The DSBP provides for two types of award to be granted (each a "DSBP Award"):

(i) a conditional share award, which entitles a participant to receive Shares for no payment; and

(ii) a share option to acquire Shares at a nil (or nominal) exercise price.

The remuneration committee may also decide to grant cash-based phantom awards of equivalent value to share-based awards or to satisfy share-based awards in cash.

5.38 DSBP Awards are not pensionable and may be granted over newly issued Shares, Shares held in treasury or Shares purchased in the market.

5.39 The DSBP will terminate on the 10th anniversary of its adoption but the rights of existing participants at that point will not be affected.

Eligibility

5.40 Any employee (including Executive Directors) of the Group who is entitled to receive a cash bonus will be eligible for participation in the DSBP at the discretion of the remuneration committee. The current intention is to limit participation to the Executive Directors and other members of Senior Management of the Group.

Grant of DSBP Awards

5.41 The remuneration committee may determine that a proportion of a participant's annual bonus will be deferred and granted in the form of a DSBP Award. The remuneration committee's current intention is that bonuses above a target level equal to 60 per cent. of a participant's annual basic salary will be deferred into DSBP Awards. The value of Shares over which a DSBP Award will be granted will be based on the closing middle market quotation for a Share as derived from the Official List for the dealing day immediately preceding the date of grant or, at the remuneration committee's discretion, the average price of a Share over a period of up to 5 dealing days prior to the date of grant.

5.42 Subject to any applicable dealing restrictions, the remuneration committee may grant DSBP Awards within 42 days after the determination of a participant's bonus and, wherever possible, during the period of 42 days commencing on the announcement of the Company's results for any period or otherwise at such other time as the remuneration committee considers that exceptional circumstances exist that justify a grant.

5.43 No payment will be required for the grant of a DSBP Award. DSBP Awards are personal to the participant and may not be transferred, except on death.

Plan limits

5.44 To the extent that Shares are to be issued to satisfy options or awards under the DSBP:

(i) no options or awards may be granted under the DSBP or any other employee share plan if it would cause the aggregate number of Shares issued or issuable pursuant to options or other rights to subscribe for Shares which have been granted in the period following Admission and up to the preceding 10 years under the DSBP and any other employee share plan operated by the Company to exceed 10 per cent of the Company's issued share capital at the proposed date of grant; and

(ii) no options or awards may be granted under the LTIP, the DSBP, the RSAP or any other discretionary executive share plan (together the "Executive Share Plans") if it would cause the aggregate number of Shares issued or issuable pursuant to options or other rights to subscribe for Shares which have been granted in the period following Admission and up to the preceding 10 years under any Executive Share Plan operated by the Company to exceed 5 per cent of the Company's issued share capital at the proposed date of grant.

5.45 Shares held in treasury will be treated as newly issued for the purpose of this limit until such time as guidelines published by institutional investor representative bodies recommend otherwise. Shares purchased in the market to satisfy awards will not count towards this limit.

Dividend equivalents

5.46 The remuneration committee may elect to make a payment (in cash and/or shares) to participants in respect of the number of Shares which vest under a DSBP Award to reflect the value of dividends that would have been paid on such Shares during the vesting period. This amount may take into account the reinvestment of dividends.

Performance conditions

5.47 DSBP Awards will not be subject to performance conditions.

Vesting and exercise

5.48 DSBP Awards will normally vest in three equal tranches on the first, second and third anniversaries of the date of grant of the DSBP Award, subject ordinarily to the participant remaining in employment with the Group at the relevant vesting date. Where a DBSP Award has been granted in the form of an option, that option will normally remain exercisable for a period determined by the remuneration committee at grant which shall not exceed 10 years from the date of grant.

Holding period

5.49 No post-vesting holding period will apply to Shares that vest or become exercisable under a DSBP Award.

Cessation of employment

5.50 Except in certain circumstances, set out below, a DSBP Award will lapse immediately upon a participant ceasing to be employed by or holding office within the Group.

5.51 However, if a participant so ceases because of his death, injury, disability, redundancy, retirement with the agreement of his employer, the sale of the participant's employer or the business in which he is employed outside the Group, or in other circumstances at the discretion of the Board, his DSBP Award will vest on the date of cessation. A DSBP Award will not be pro-rated.

Malus and Clawback

5.52 The Company has the right, before a DSBP Award vests, to reduce the number of Shares over which the award was granted where it is discovered that the award was granted over too many Shares as a result of a material misstatement in the Company's accounts relating to the bonus year, when there has been an error or reliance on misleading information when assessing the size of the bonus to which the DSBP Award is linked and/or the size of the DSBP Award that was granted; and/or it is discovered that the participant could reasonably have been dismissed during the bonus year as a result of his misconduct.

5.53 The Company may also apply clawback where the application of malus to a DSBP Award in accordance with the principles described in paragraphs 5.52 above does not enable the full amount to be recouped on the basis that the value under the relevant DSBP Award is less than the intended value to be recouped. In these circumstances the remuneration committee may decide to apply clawback within 3 years of the date of grant of a DSBP Award, to be satisfied by the reduction in any future bonus to be awarded to the participant or a reduction in the vesting of outstanding DSBP Awards or any other long-term incentive awards or by the payment of a cash amount by the participant.

Variation of capital

5.54 In the event of any variation in the Company's share capital (including a rights issue or any sub-division or consolidation of the Company's share capital), or a demerger, special dividend or other similar event which affects the market price of Shares to a material extent, the remuneration committee may adjust the number of Shares under a DSBP Award.

Corporate events

5.55 In the event of a change of control or voluntary winding-up of the Company, the DSBP Awards will vest early and in full.

5.56 The remuneration committee may also require DSBP Awards to be exchanged for equivalent awards over shares in a new holding company if the change of control of the Company is part of an internal corporate reorganisation (unless the remuneration committee decides otherwise, in which case DSBP Awards will vest on the same basis as described in paragraph 5.55).

5.57 In the event of a demerger, distribution or any other similar event which in the opinion of the remuneration committee would affect the price of a Share to a material extent, the remuneration committee may determine that DSBP Awards shall vest early and in full.

Amendments

5.58 The remuneration committee may amend the DSBP at any time.

5.59 However, provisions governing eligibility requirements, the limits on participation, the limit on the number of Shares available for DSBP Awards, the basis for determining a participant's entitlement to and the terms of the shares or cash to be acquired and the adjustment of DSBP Awards may not be altered to the advantage of participants without the prior approval of shareholders in general meeting (with the exception of minor amendments made to benefit the administration of the DSBP to take account of a change in legislation or to obtain or maintain favourable (or avoid unfavourable) tax, exchange control or regulatory treatment for eligible employees, participants or for any company in the Group).

5.60 No alteration to the material disadvantage of participants may be made without the prior consent of a majority of those participants who reply to a request for their consent.

THE RESTRICTED SHARE AWARD PLAN

Overview of the RSAP

5.61 The RSAP was adopted by the Board on 26 January 2015, subject to Admission, and provides for awards over Shares to be granted subject only to continued employment ("RSAP Awards"), although the plan rules enable the remuneration committee to apply performance conditions to awards.

5.62 RSAP Awards are not pensionable and may be granted over newly issued Shares, Shares held in treasury or Shares purchased in the market.

5.63 The RSAP will terminate on the 10th anniversary of its adoption but the rights of existing participants at that point will not be affected.

Eligibility

5.64 All of the Company's employees (excluding the Executive Directors) will be eligible to participate in the RSAP at the discretion of the remuneration committee. However it is the Company's current intention that employees will not receive awards under the RSAP and the LTIP in the same year.

Grant of RSAP Awards

5.65 Subject to any applicable dealing restrictions, grants may be made during the period of 42 days commencing on either (i) Admission, (ii) the announcement of the Company's results for any period or (iii) at such other time as the remuneration committee considers that exceptional circumstances exist that justify a grant.

5.66 No payment will be required for grant of an RSAP Award.

5.67 Awards will either be granted as a conditional share award that entitles a participant to receive Shares for no payment or an option to acquire Shares at a nil (or nominal) exercise price. At its discretion the remuneration committee may also award cash based phantom awards of equivalent value to share-based awards or may settle a RSAP award in cash.

Individual limits

5.68 The remuneration committee will determine the appropriate level of grant of RSAP Awards to participants. However, the maximum number of Shares under RSAP Awards granted to a participant in any financial year will have an aggregate market value, as measured at the date of grant, not exceeding 75 per cent. of the participant's base salary.

Plan limits

5.69 To the extent that Shares are to be issued to satisfy options or awards under the RSAP:

(i) no options or awards may be granted under the RSAP or any other employee share plan if it would cause the aggregate number of Shares issued or issuable pursuant to options or other rights to subscribe for Shares which have been granted in the period following Admission and up to the preceding 10 years under the RSAP and any other employee share plan operated by the Company to exceed 10 per cent of the Company's issued share capital at the proposed date of grant; and

(ii) no options or awards may be granted under the LTIP, the DSBP, the RSAP or any other discretionary executive share plan (together the Executive Share Plans) if it would cause the aggregate number of Shares issued or issuable pursuant to options or other rights to subscribe Shares which have been granted in the period following Admission and up to the preceding 10 years under any Executive Share Plan operated by the Company to exceed 5 per cent of the Company's issued share capital at the proposed date of grant.

5.70 Shares held in treasury will be treated as newly issued for the purpose of this limit until such time as guidelines published by institutional investor representative bodies recommend otherwise. Shares purchased in the market to satisfy awards will not count towards this limit.

Dividend equivalents

5.71 The remuneration committee may elect to make a payment (in cash and/or shares) to participants in respect of the number of Shares which vest under a RSAP Award to reflect the value of dividends that would have been paid on such shares during the vesting period. This amount may take into account the reinvestment of dividends.

Conditions

5.72 The remuneration committee may make the grant or vesting of RSAP Awards subject to such conditions as it considers appropriate, including performance conditions.

Vesting of RSAP Awards

5.73 RSAP Awards will usually vest three years after the date of grant, although the remuneration committee reserves the right to specify a longer or shorter vesting period for any award. Vested share awards will be released to participants automatically within 30 days of the vesting date. Where a RSAP Award has been granted in the form of an option, that option will normally remain exercisable for a period determined by the remuneration committee at grant which shall not exceed 10 years from the date of grant.

Holding period

5.74 No post-vesting holding period will apply to Shares that vest under an RSAP Award.

Cessation of employment

5.75 RSAP Awards will normally only vest if the participant remains in employment with the Company or one of its subsidiaries or holds office within the Group at the vesting date. If a participant leaves employment and no longer holds any office within the Group during the vesting period, unvested RSAP Awards will normally lapse.

5.76 However if the reason for leaving is death, injury, disability, redundancy, retirement with the agreement of the participant's employer, the participant's employer or the business for which he works being sold out of the Group or any other reason at the remuneration committee's discretion, RSAP Awards will not lapse but will vest in full on the date of cessation. RSAP awards will not be pro-rated.

Malus and clawback

5.77 No malus or clawback provisions will apply in respect of RSAP Awards.

Variation of capital

5.78 In the event of any variation in the Company's share capital (including a rights issue or any sub-division or consolidation of the Company's share capital), or a demerger, special dividend or other similar event which affects the market price of Shares to a material extent, the remuneration committee may adjust the number of Shares under a RSAP Award.

Corporate events

5.79 In the event of a change of control or voluntary winding-up of the Company, RSAP Awards will vest early and in full.

5.80 The remuneration committee may also require RSAP Awards to be exchanged for equivalent awards over shares in a new holding company if the change of control of the Company is part of an internal corporate reorganisation (unless the remuneration committee decides otherwise, in which case RSAP Awards will vest on the same basis as described in paragraph 5.79).

5.81 In the event of a demerger, distribution or any other similar event which in the opinion of the remuneration committee would affect the share price to a material extent, the remuneration committee may determine that RSAP Awards shall vest early and in full.

Amendments

5.82 The remuneration committee may amend the RSAP at any time.

5.83 Amendments affecting the rules governing eligibility requirements, the limits on the number of Shares available for RSAP Awards, the maximum entitlement of participants, the basis for determining a participant's entitlement and the adjustment of RSAP Awards following the variation of the Company's share capital may not be amended to the advantage of participants without the prior approval of shareholders in general meeting (with the exception of minor amendments made to benefit the administration of the RSAP, to take account of a change in legislation or to obtain or maintain favourable (or avoid unfavourable) tax, exchange control or regulatory control for eligible employees.

5.84 No alteration to the material disadvantage of participants may be made without the prior consent of the majority of those participants who reply to a request for their consent.

6. Pensions

6.1 Defined contribution schemes

The Group (through Legal & General) operates a stakeholder pension scheme for UK employees under which the relevant employer makes matching contributions based on the employee's level of contributions up to a maximum of 8 per cent. of monthly basic salary (or 12 per cent. for senior staff). Equivalent defined contribution arrangements are in place for staff located outside the United Kingdom.

6.2 Defined benefit schemes

The Group operates two defined benefit pension schemes: the John Laing Pension Fund ("JLPF") and the John Laing Pension Plan ("JLPP"). John Laing plc is the principal employer in relation to both schemes. John Laing Services Limited and Laing Investments Management Services Limited are also participating employers in relation to JLPF.

John Laing Pension Fund

JLPF is the larger of the two defined benefit pension schemes. Its assets are held by a trustee board, the John Laing Pension Trust Limited (the "JLPF Trustee"), separately from the Group. As at 31 March 2014, it had 8,713 members of whom 5,012 were deferred pensioners and 3,701 were pensioners. There are no active members following JLPF's closure to future accrual on 31 March 2011. The scheme has been closed to new members since 1 January 2002.

At its last triennial valuation as at 31 March 2013, JLPF was assessed to have a deficit of £271.7 million on the scheme specific funding basis representing a funding level of 75 per cent. (an increase from a 69 per cent. funding level at the previous valuation as at 31 March 2010). Calculated on a buy-out basis (the cost of securing all benefits with an insurer), the deficit as at 31 March 2013 would be £729.6 million representing a funding level of 54 per cent.

The market value of JLPF's assets was assessed to be £825.8 million as at 31 March 2013 (an increase from £652.1 million as at 31 March 2010). The assets of JLPF include a bulk annuity policy which provides an insured asset for meeting part of the liabilities of current pensions in payment. The value of this bulk annuity contract was assessed as at 31 March 2013 to be £260.7 million (approximately equal, as at that date, to the value of the liabilities insured) based on a scheme specific funding basis.

On 4 December 2014, the Company and John Laing plc entered into an agreement with the JLPF Trustee, the terms of which are summarised in paragraph 10.3 below. Under this agreement, the Company and John Laing plc have agreed to make a contribution of £100 million to JLPF. The obligation to make the contribution will be settled by the transfer of 47,840,000 shares in John Laing Environmental Assets Group Limited ("JLEN"), representing a 29.9 per cent. interest in JLEN; a 47 per cent. interest in in relation to the PPP project known as "the City Greenwich Lewisham (DLR) project"; and an amount of approximately £20,925,000 in cash (predominantly arising from the exercise of an option by Croydon Council in relation to 100 per cent. of John Laing plc's interest in the Croydon BWH project for £20,250,000) to be adjusted to take into account any change in the market value of the JLEN Shares as at the date of the JLPF Framework Agreement and at Admission.

The JLPF Trustee and John Laing plc agreed a revised schedule of contributions on 4 December 2014, under which John Laing plc will pay a deficit contribution of £27 million in March 2015 and annual deficit contributions thereafter, starting with a payment of £18 million in March 2016 and a payment of £19 million in March 2017. The next triennial actuarial valuation of the JLPF will be as at 31 March 2016.

John Laing Pension Plan

JLPP's assets are held by a trustee board, John Laing Pension Plan Trustees Limited, separately from the Group. JLPP had 422 members as at 31 March 2014, of whom 121 were deferred pensioners and 301 were pensioners. JLPP closed to new members on 31 December 1996, with the last active member leaving the Group in 2003.

At its last triennial valuation as at 31 March 2014, JLPP's future liabilities were valued at £11.4 million while its assets were valued at £12.3 million representing a funding surplus of £0.9 million on a scheme specific funding basis and £0.2 million on a buy-out basis. Consequently, the Company is not currently making contributions and all expenses, including Pension Protection Fund levies, are met from JLPP's assets as and when they arise.

The next triennial actuarial valuation of JLPP will be as at 31 March 2017.

7. Underwriting arrangements

7.1 Underwriting Agreement

On 29 January 2015, the Company, the Directors, the Selling Shareholder, HPC Nominees Limited and the Henderson Funds (acting through the Henderson General Partner), the Stabilising Manager and the Underwriters entered into the Underwriting Agreement. Pursuant to the Underwriting Agreement:

7.1.1 subject to the execution by the parties thereto of the Pricing Agreement, the Company has agreed, subject to certain conditions, to allot and issue, at the Offer Price, the New Shares to be issued in connection with the Offer;

7.1.2 subject to the execution by the parties thereto of the Pricing Agreement, the Selling Shareholder has agreed, subject to certain conditions, to sell the Shares in the Offer at the Offer Price;

7.1.3 and subject to the execution by the parties thereto of the Pricing Agreement, the Underwriters have severally agreed, subject to certain conditions, to procure subscribers or, failing which, themselves to subscribe for the New Shares (in such proportions as will be set out in the Underwriting Agreement) and to procure purchasers for or, failing which, themselves to purchase themselves the Existing Shares (in such proportions as will be set out in the Underwriting Agreement), in each case pursuant to the Offer;

7.1.4 the Underwriters will deduct from the proceeds of the Institutional Offer a commission of 2 per cent. of the product of the Offer Price and the number of Shares issued or sold pursuant to the Institutional Offer (excluding any Over-allotment Shares), together with any value added tax chargeable thereon, such commission to be split between the Company and Selling Shareholder pro rata to their respective share of the gross proceeds of the Offer;

7.1.5 the Underwriters will deduct a commission of 2 per cent. of the product of the Offer Price and the number of any Over-allotment Shares sold pursuant to exercise of the Over-allotment Option together with any value added tax chargeable thereon, from the proceeds of the sale of any such Over-allotment Shares;

7.1.6 the Underwriters will deduct from the proceeds of the Institutional Offer a commission of 0.5 per cent. of the product of the Offer Price and the number of New Shares allotted pursuant to the Intermediaries Offer, together with any value added tax chargeable thereon, such commission to be split between the Company and Selling Shareholder pro rata to their respective share of the gross proceeds of the Offer;

7.1.7 within 20 calendar days of Admission, the Company and the Selling Shareholder may, at their absolute discretion, pay the Underwriters an additional commission of up to 1 per cent. of the product of the Offer Price and the aggregate number of Shares issued or sold pursuant to the Institutional Offer (excluding any Over-allotment Shares), together with any value added tax chargeable thereon, such commission to be split between the Company and Selling Shareholder pro rata to their respective share of the gross proceeds of the Offer. HPC Nominees Limited may, in its absolute discretion, also pay the Underwriters an additional commission of up to 1 per cent. of the product of the Offer Price and the number of any Over-allotment Shares sold pursuant to exercise of the Over-allotment Option, together with any value added tax chargeable thereon, within 20 days of the closing date of the Over-allotment Option;

7.1.8 the several obligations of the Underwriters to procure subscribers and/or purchasers for or, failing which, themselves to subscribe for or purchase Shares on the terms of the Underwriting Agreement are subject to certain conditions. These conditions include, among other things, the execution by the parties thereto of the Pricing Agreement, the absence of any breach of representation or warranty under the Underwriting Agreement and Admission occurring on or before 8.00 am (London time) on 17 February 2015 (or such later time on Admission as the Joint Global Co-ordinators and the Company and the Selling Shareholder may agree in writing). In addition, the Joint Global Co-ordinators (on behalf of themselves and the other Banks) have the right to terminate the Underwriting Agreement in certain customary circumstances prior to Admission, including on the occurrence of certain material changes in the condition (financial or otherwise) or prospects of the Company and any other member of its group taken as a whole;

7.1.9 Barclays Capital Securities Limited, as Stabilising Manager, has been granted the Over-allotment Option by HPC Nominees Limited pursuant to which it may purchase or procure purchasers for up to 15 per cent. of the maximum number of Shares comprised in the Offer at the Offer Price for the purposes of covering short positions arising from over-allocations, if any, in connection with the Offer and/or from sales of Shares, if any, effected during the stabilising period. Except as required by law or regulation, neither the Stabilising Manager, nor any of its agents, intends to disclose the extent of any over-allotments and/or stabilising transactions conducted in relation to the Offer. The number of Over-allotment Shares to be transferred pursuant to the Over-allotment Option, if any, will be determined not later than 30 calendar days following commencement of conditional dealings in the Shares on the London Stock Exchange. Settlement of any purchase of Over-allotment Shares will take place shortly after such determination (or if acquired on Admission, at Admission). If any Over-allotment Shares are acquired pursuant to the Over-allotment Option, Barclays Capital Securities Limited will be committed to pay to HPC Nominees Limited, or procure that payment is made to it of, an amount equal to the Offer Price multiplied by the number of Over-allotment Shares purchased from HPC Nominees Limited, less commissions and expenses;

7.1.10 the Selling Shareholder has agreed to pay any stamp duty and/or stamp duty reserve tax arising in the United Kingdom on the sale of Existing Shares;

7.1.11 the Company has agreed to pay the costs, charges, fees and expenses of the Offer (together with any related value added tax);

7.1.12 each of the Company, the Directors, the Selling Shareholder, HPC Nominees Limited and the Henderson Funds (acting through the Henderson General Partner) have given certain customary representations, warranties and undertakings, to the Banks;

7.1.13 the Company has given an indemnity to the Banks, their affiliates (as defined in Rule 405 under the US Securities Act), subsidiaries, branches, associates and holding companies and the subsidiaries of such subsidiaries, branches, affiliates, associates and holding companies and each of such person's respective directors, officers, employees and agents (together, the "Indemnified Persons") on customary terms;

7.1.14 the liabilities of the Selling Shareholder, HPC Nominees Limited, the Henderson Funds (acting through the Henderson General Partner) and the Directors under the Underwriting Agreement are limited as to time and amount;

7.1.15 the Company has agreed that, during the period commencing on Admission, for a period of 180 days, it will not, without the prior written consent of the Joint Global Co-ordinators (such consent not to be unreasonably withheld or delayed), directly or indirectly, offer, issue, allot, lend, mortgage, assign, charge, pledge, sell or contract to sell or issue, issue options in respect of or otherwise dispose of, directly or indirectly, or announce an offering or issue of, any Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing, except: (a) the issue of the New Shares; and (b) the issuance of Shares pursuant to the grant or exercise of options under share options schemes in existence on the date of Admission (as described in paragraph 5 "Employee share plans" of Part 14 "Additional Information");

7.1.16 each of the Selling Shareholder, HPC Nominees Limited and the Henderson Funds (acting through the Henderson General Partner) have agreed that, subject to certain exceptions described below, during a period of 180 days from Admission, it shall not, without the prior written consent of each of the Joint Global Co-ordinators (such consent not to be unreasonably withheld or delayed), directly or indirectly, offer, issue, lend, mortgage, assign, charge, pledge, sell or contract to sell, issue options in respect of, or otherwise dispose of, directly or indirectly, or announce an offering or issue of, any Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing, other than pursuant to the Offer, in the manner described in this Prospectus. The restrictions to which the Selling Shareholder, HPC Nominees Limited and the Henderson Funds are subject shall not prohibit them from: (a) accepting a general offer made to all holders of issued and allotted Shares for the time being made in accordance with the City Code; (b) executing and delivering an irrevocable commitment or undertaking to accept a general offer as referred to in paragraph (a) above; (c) selling or otherwise disposing of Shares pursuant to any offer by the Company to purchase its Shares; (d) transferring or disposing of Shares pursuant to a compromise or arrangement between the Company and its creditors in accordance with the Companies Act; (e) taking up rights granted in respect of a rights issue or other pre-emptive share offering by the Company; (f) (in the case of the Selling Shareholder) transferring Shares to HPC Nominees Limited or (g) transferring Shares pursuant to the stock lending agreement described in paragraph 7.2 below. Following the expiry of such period, the Selling Shareholder and HPC Nominees Limited shall be subject to orderly market restrictions for the period to 30 September 2015;

7.1.17 each of the Directors has agreed that, subject to certain exceptions described below, during a period of 365 days from Admission, he or she shall not, without the prior written consent of each of the Joint Global Co-ordinators (such consent not to be unreasonably withheld or delayed), directly or indirectly, offer, issue, lend, mortgage, assign, charge, pledge, sell or contract to sell, issue options in respect of, or otherwise dispose of, directly or indirectly, or announce an offering or issue of, any Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing, save that the above restrictions shall not apply in respect of Shares issued pursuant to the grant or exercise of options under share option schemes described in this Prospectus. The restrictions to which the Directors are subject shall not apply in respect of the issuance of Shares pursuant to the grant or exercise of options under share option schemes in existence on the date of Admission (as described in paragraph 5 "Employee share plans" of Part 14 "Additional Information") or prohibit the Directors from: (a) accepting a general offer made to all holders of issued and allotted Shares for the time being made in accordance with the City Code; (b) executing and delivering an irrevocable commitment or undertaking to accept a general offer as referred to in sub-paragraph (a) above; (c) selling or otherwise disposing of Shares pursuant to any offer by the Company to purchase its Shares; (d) transferring or disposing of Shares pursuant to a compromise or arrangement between the Company and its creditors in accordance with the Act; (e) taking up rights granted in respect of a rights issue or other pre-emptive share offering by the Company; or (f) transferring Shares to any connected person (as defined in the Act); and

7.1.18 the parties to the Underwriting Agreement have given certain covenants to each other regarding compliance with laws and regulations affecting the making of the Offer in relevant jurisdictions.

7.2 Stock lending agreement

In connection with settlement and stabilisation, Barclays Capital Securities Limited, as Stabilising Manager, has entered into a stock lending agreement with the Selling Shareholder. Pursuant to this agreement, the Stabilising Manager will be able to borrow up to a maximum of 15 per cent. of the maximum number of Shares comprised in the Offer (excluding the Shares subject to the Over-allotment Option) on Admission for the purposes, amongst other things, of allowing the Stabilising Manager to settle, on Admission, over-allotments, if any, made in connection with the Offer. If the Stabilising Manager borrows any Shares pursuant to the stock lending agreement, it will be required to return equivalent securities to the Selling Shareholder or its nominee by no later than the second business day after the date that is the 30th day after the commencement of conditional dealings of the Shares on the London Stock Exchange.

8. Subsidiaries, investments and principal establishments

The Company is the holding company of the Group. In addition to the Group's investments in projects as set forth in Part 6 "Business Description—Portfolio Overview and Valuation", the principal subsidiaries and subsidiary undertakings of the Company are as follows:

Subsidiaries and subsidiary undertakings

Name	Country of incorporation and registered office	Class and percentage of ownership interest and voting power	Field of activity
Henderson Infrastructure Holdco Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Holding company for investments
John Laing Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Holding company for investments
John Laing Investments Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Holding company for investments
John Laing Projects & Developments (Holdings) Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Holding company for certain rail-related assets and property developments
John Laing Projects & Developments Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Property management company
Laing Property Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Holding company for property developments
John Laing Capital Management Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Investment management company
John Laing Services Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Management of retained construction liabilities
John Laing Social Infrastructure Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Holding company for accommodation investments
Laing Investment Company Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Property development company
John Laing (USA) Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Management, staff and administrative services—operating in the US
Laing Investments Management Services Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Management, staff and administrative services
Laing Investments Management Services (Australia) Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Management, staff and administrative services—operating in Australia

Name	Country of incorporation and registered office	Class and percentage of ownership interest and voting power	Field of activity
Laing Investments Management Services (Canada) Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Management, staff and administrative services—operating in Canada
Laing Investments Management Services (Netherlands) Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Management, staff and administrative services—operating in the Netherlands
Laing Investments Management Services (Singapore) Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Management, staff and administrative services—operating in Singapore
John Laing Infrastructure Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Holding company for roads investments
John Laing Investments Overseas Holdings Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Holding company for overseas investments
Laing Property Holdings Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Property management
John Laing Homes Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Property management
Laing Investments Management Services (New Zealand) Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Management, staff and administrative services—operating in New Zealand
John Laing Infrastructure (German Holdings) Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Holding company for German SPV road operating companies
John Laing Investments NZ Holdings Limited	England and Wales; 1 Kingsway, London, WC2B 6AN	100%	Holding company for investments
John Laing & Son BV	Netherlands; Schiphol Boulevard 253, F bid, 7th Floor, Schiphol 1118BH, Netherlands	100%	Investment manager and security provider
John Laing Investments Mauritius (Holdings) Limited	Mauritius; c/o AAA Global Services Ltd., 1st Floor, The Exchange, 18 Cybercity, Ebene, Mauritius	100%	Holding company for investments
John Laing Investments Mauritius (No.1) Limited	Mauritius; c/o AAA Global Services Ltd., 1st Floor, The Exchange, 18 Cybercity, Ebene, Mauritius	100%	Holding company for investments

Name	Country of incorporation and registered office	Class and percentage of ownership interest and voting power	Field of activity
John Laing Investments Netherlands Holdings BV	Netherlands; WTC Schiphol Airport (A Building 3rd Floor), Schiphol Boulevard 127, 118 BG Schiphol, Netherlands	100%	Holding company for investments

Principal establishments

The following are the principal establishments of the Group:

Name and location	Type of facility	Tenure
Floors 1 and 2, 1 Kingsway, London, United Kingdom	Office	15 years expiring 3 November 2026
Part 7th floor, The Digital World Centre, Salford Quays, Salford, Manchester, United Kingdom	Office	5 years expiring 18 March 2018
F Tower, WTC Schiphol Airport, Schiphol Boulevard 253, Schiphol, Netherlands	Office	5 years expiring 31 August 2016
Suite 802, 85 Richmond St, Toronto, Canada	Office	3 years expiring 30 June 2017
14 Wall Street, Suite 2029, New York, NY 10005	Office	Expiring 31 March 2015
Suite 1602 Level 16, 15 Castlereagh St, Sydney, Australia	Office	3 years expiring 28 February 2015
Part Level 17, 303 Collins St, Melbourne, Australia	Office	3 years expiring 28 February 2015

9. Statutory auditors

Deloitte LLP, whose registered office is at 2 New Street Square, London EC4A 3BZ, has provided an accountants' report on the combined historical financial information of the Group for the three years ended 31 December 2013 and the nine-month period ended 30 September 2014 as set out in Part 11 "Combined Historical Financial Information" of this Prospectus. Deloitte LLP is a member of the Institute of Chartered Accountants in England and Wales and has no material interest in the Group.

The financial information contained in this Prospectus which relates to the Company does not constitute full statutory accounts as referred to in section 434(3) of the Companies Act. Statutory audited accounts of the Company, on which the auditors have given their unqualified report and which contained no statement under section 498(2) or (3) of the Companies Act, have been delivered to the Registrar of Companies in respect of the three financial years ended 31 December 2013.

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 another member of the Group: (a) within the two years immediately preceding the date of this document which are, or may be, material to the Company or any member of the Group, and (b) at any time and contain provisions under which the Company or any member of the Group has an obligation or entitlement which is, or may be, material to the Company or any member of the Group as at the date of this document:

10.1 Underwriting Agreement

The Underwriting Agreement is described in paragraph 7.1 of this Part 14 "Additional Information—Underwriting arrangements".

10.2 Relationship Agreement

The terms of the Relationship Agreement entered into between the Company and the Selling Shareholder, HPC Nominees Limited and Henderson General Partner are set out in "Relationship Agreement with principal shareholder" in Part 7 "Directors, Senior Management and Corporate Governance".

10.3 JLPF Arrangement

JLPF Framework Agreement

On 4 December 2014, John Laing plc and John Laing Group plc entered into an agreement (the "JLPF Framework Agreement") with the JLPF Trustee. Under the JLPF Framework Agreement, in return for John Laing plc and John Laing Group plc agreeing to procure the contribution of certain assets to JLPF, the JLPF Trustee has executed a new schedule of contributions and recovery plan and agreed certain provisions relating to the ongoing management of JLPF. The JLPF Framework Agreement is conditional upon (amongst other things) Admission.

Under the JLPF Framework Agreement:

- John Laing plc and John Laing Group plc will procure the contribution of an aggregate value of £100 million which will be satisfied by the transfer of certain assets to JLPF on Admission. These assets comprise (i) 47,840,000 shares in JLEN (equivalent to 29.9 per cent. of the issued share capital); (ii) 705,000 ordinary shares in the holding company of the City Greenwich Lewisham (DLR) project (equivalent to a 47 per cent. interest); and (iii) an amount of approximately £20,925,000 in cash (predominantly arising from the exercise of an option by Croydon Council in relation to 100 per cent. of John Laing plc's interest in the Croydon BWH project for £20,250,000) to be adjusted to take into account any change in the market value of the JLEN Shares as at the date of the JLPF Framework Agreement and at Admission.
- There is an adjustment mechanism for the cash amount, so that if the market value of the JLEN shares on the date of Admission is more or less than the market value of the JLEN shares as at 4 December 2014, the amount of the cash payment is increased or decreased (as applicable) by the difference.
- The JLPF Trustee agreed to enter into a new schedule of contributions and recovery plan on 4 December 2014 which provides that certain obligations of John Laing plc to make potential additional contributions to JLPF will cease to apply following the contributions of assets described above. For more information on the deficit recovery amounts, see paragraph 3.3 in Part 9 "Operating and Financial Review".
- John Laing Group plc will, on Admission, enter into a guarantee of all present and future obligations of John Laing plc, John Laing Services Limited and Laing Investments Management Services Limited to make payments to JLPF. The guarantee will remain in place until 23 December 2024 and will be additional to an existing guarantee by John Laing plc which expires on 23 December 2019.
- On 4 December 2014, the JLPF Trustee and John Laing Investments Limited entered into an extended "lock-in" agreement with Barclays Bank PLC and Winterflood Securities Limited which becomes effective on Admission and prevents the Trustee and John Laing Investments Limited from selling both the transferred JLEN shares and John Laing Investment Limited's remaining holding in JLEN until 1 October 2015, subject to certain limited exceptions.

Pension Agreement

A Pension Agreement will be executed on Admission, which provides that:

- John Laing Group plc will consult with the JLPF Trustee for at least 60 days before:
  - making any changes to its dividend policy (as described in this Prospectus in paragraph 11 of Part 6 "Business Description" or any payments outside the policy;
  - taking action in relation to the Facilities Agreement which could adversely affect the financial covenant supporting JLPF;
  - incurring certain new or additional financial indebtedness (other than in relation to non-recourse project finance companies), disposing of any asset of the John Laing group where the discount on portfolio value exceeds both 15 per cent. of portfolio value and £2.5 million, or granting certain security interests;
- John Laing Group plc will consult with the JLPF Trustee for at least 40 days before entering into heads of terms in relation to any refinancing of the Facilities Agreement; and

- John Laing Group plc will not dispose of group assets without the consent of the JLPF Trustee if the disposal would breach the terms of the Facilities Agreement and will provide certain financial information to the JLPF Trustee.

10.4 **Tax Separation Deed**

The Company, HIHL, HPC Nominees Limited and the Selling Shareholder entered into a Tax Separation Deed on 29 January 2015. The Tax Separation Deed regulates certain aspects of the mechanics of the separation of the members of the Group from any tax groups to which they are a party with the Selling Shareholder and governs cooperation between the Group and the Selling Shareholder in respect of tax matters. Furthermore it contains: (i) reciprocal indemnities from John Laing Group plc and the Selling Shareholder relating to secondary tax liabilities; (ii) specific requirements in respect of the making of allocated exemptions under the worldwide debt cap regime and group relief surrenders by members of the Group to the Selling Shareholder to offset any taxable income arising from the Selling Shareholder Loans for nil payment in line with past practice; and (iii) specific requirements in respect of VAT, taking into account the fact that the Selling Shareholder has been a member of a VAT group with members of the Group.

10.5 **Investment Adviser Agreements**

Pursuant to an investment adviser agreement dated 27 October 2010 (as amended and restated on 10 September 2014 and as further amended on 18 December 2014) between JLIF and JLCM as investment adviser (the "JLIF Investment Adviser Agreement"), JLCM as investment adviser (the "Investment Adviser") provides investment management services to JLIF. JLCM's provision of investment management services to JLEN is pursuant to a separate investment adviser agreement dated 19 February 2014 (and amended on 21 March 2014 and 25 June 2014) between JLCM as Investment Adviser and JLEN (the "JLEN Investment Adviser Agreement").

The services provided under the JLIF Investment Adviser Agreement and the JLEN Investment Adviser Agreement (together, the "Investment Adviser Agreements") include, *inter alia*, advising the relevant fund in respect of the implementation of and changes to such fund's investment strategy and policy, and in respect of the strategic management of such fund's investment portfolio. Additionally, the Investment Adviser will provide certain valuation, accounting and reporting services, working in conjunction with the administrator of the relevant fund.

The Investment Adviser Agreements also incorporate procedures to manage any conflicts of interest that may arise as a result of the performance by the Investment Adviser of its services under the relevant Investment Adviser Agreement.

The JLIF Investment Adviser Agreement may be terminated by either party giving to the other party one year's written notice of termination at any time following the expiry of an initial four year term on 26 October 2014.

The JLEN Investment Adviser Agreement may be terminated by either party giving to the other party one year's written notice of termination at any time after 31 March 2018 (being the fourth anniversary of the listing of JLEN on the London Stock Exchange).

Notwithstanding their respective terms, the Investment Advisory Agreements may also be terminated with immediate effect by JLCM, on the one hand, and JLIF or JLEN (as applicable), on the other hand, giving written notice to the other party in any of the following circumstances:

(a) the other party fails to make a payment under the agreement when due, and fails to remedy such breach within 30 calendar days of being notified of such breach; and

(b) the other party commits a material breach of the agreement, and such breach (if capable of remedy) is not remedied within 30 days of being notified in writing by the non-breaching party, or (if the breach is not capable of remedy) the breaching party fails to offer compensation which is reasonably acceptable to the non-breaching party, taking into account any loss that has been or will be suffered as a result of the breach.

The Investment Adviser may terminate either of the Investment Adviser Agreements with immediate effect by giving written notice to JLIF or JLEN, as applicable, if the relevant fund's ordinary shares cease to be listed on the Official List or in the event of the relevant fund's insolvency (or an analogous event).

JLIF or JLEN, as applicable, may terminate its Investment Advisory Agreement with immediate effect by giving written notice to the Investment Adviser in any of the following circumstances:

(a) in the event of the insolvency (or analogous event) of the Investment Adviser;

(b) the Investment Adviser is no longer permitted by applicable law to perform its services under the agreement; and

(c) the Investment Adviser is prevented by force majeure from performing its services under the agreement for at least 60 consecutive days.

JLIF or JLEN, as applicable, may also terminate its Investment Adviser Agreement by giving six months' written notice at any time to the Investment Adviser if, in the reasonable opinion of the relevant fund, a material amount of people (in number and seniority) who are employed by the Group to enable the Investment Adviser to provide the services contemplated by the agreement cease to be employed by the Group, and such employees have not been replaced (before the end of the six months' notice period referred to above) by suitably qualified other staff who will enable the Investment Adviser to provide the services in a manner comparable to that in which the services were provided prior to the occurrence of such event.

With respect to the JLIF Investment Adviser Agreement, JLIF may also terminate the agreement with immediate effect by giving written notice to the Investment Adviser if the Investment Adviser ceases to be the operator of JLIF Limited Partnership in certain limited circumstances.

Each of the Investment Adviser Agreements provides that JLIF or JLEN, as applicable, will indemnify the Investment Adviser and their officers, directors, employees and agents, in respect of losses of any nature arising in connection with the relevant agreement other than those resulting from the fraud, negligence or wilful default of the person claiming the indemnity. Each of the Investment Adviser Agreements also provides that the Investment Adviser shall not be liable to JLIF or JLEN, as applicable, in respect of any losses suffered by the relevant fund and arising out of any act or omission by it or any of its employees or agents except where the act or omission is a result of the negligence, wilful default or fraud of itself or any of its employees or agents.

10.6 **First Offer Agreements**

John Laing and JLIF have entered into two first offer agreements, one relating to certain specified investments in rail projects of the Group and the other relating to certain investments in non-rail projects of the Group. John Laing has separately entered into a first offer agreement with JLEN. Together they are the "First Offer Agreements".

JLIF

Non-rail assets

Pursuant to a restated and amended first offer agreement between John Laing and JLIF entered into on 21 January 2014 (the "JLIF Non-Rail First Offer Agreement"), John Laing undertakes that it will notify JLIF of any equity interests it is proposing to sell in:

(a) an accommodation project (including social housing) in the United Kingdom, Continental Europe or Canada; or

(b) a roads project (including highways maintenance and street lighting) in the United Kingdom, Continental Europe or Canada,

and which fall within JLIF's investment criteria.

Either party may terminate the JLIF Non-Rail First Offer Agreement by giving one year's written notice to the other party at any time after 27 October 2014 or by written notice should any of the following occur:

(a) the other party commits a material breach of the JLIF Non-Rail First Offer Agreement;

(b) in the event of the insolvency (or analogous event) of the other party; and

(c) the JLIF Investment Adviser Agreement is terminated,

at which point (subject to a 30 day cure period) the JLIF Non-Rail First Offer Agreement will terminate 45 days after the date of the notice.

Rail assets

Pursuant to a first offer agreement between John Laing and JLIF entered into on 21 January 2014 ((“the JLIF Rail First Offer Agreement”) together with the JLIF Non-Rail First Offer Agreement, the “JLIF First Offer Agreements”), John Laing undertakes that it will notify JLIF of any interest it is proposing to sell in certain specified investments in rail projects of the Group.

The JLIF Rail First Offer Agreement continues until the date following the sale of the last remaining specified rail investment of the Group or until terminated, if earlier. Either party may terminate the JLIF Rail First Offer Agreement by serving a written notice should any of the following occur:

(a) the other party commits a material breach of the JLIF Rail First Offer Agreement; and

(b) in the event of the insolvency (or analogous event) of the other party,

at which point (subject to a 30 day cure period) the JLIF Rail First Offer Agreement will terminate 45 days after the date of the notice.

JLEN

The first offer agreement between John Laing and JLEN was entered into on 19 February 2014 and amended on 7 January 2015 (the “JLEN First Offer Agreement”). Pursuant to the terms of the JLEN First Offer Agreement, John Laing undertakes that it will notify JLEN of any interest in an environmental infrastructure project in the United Kingdom, Ireland, Sweden or any other country in the European Union or the European Free Trade Association, of which John Laing wishes to dispose and that falls within JLEN’s investment criteria.

The JLEN First Offer Agreement may be terminated by either party giving to the other party one year’s written notice of termination at any time after four years from the date of the JLEN First Offer Agreement.

Notwithstanding its respective initial four year term, the JLEN First Offer Agreement may also be terminated by either party giving written notice to the other party should any of the following occur:

(a) the other party commits a material breach of the JLEN First Offer Agreement;

(b) in the event of the insolvency (or analogous event) of the other party;

(c) the JLEN Investment Adviser Agreement is terminated; and

(d) JLCM ceases to be a wholly-owned subsidiary of John Laing,

at which point (subject to a 30 day cure period) the JLEN First Offer Agreement will terminate on the date falling 45 days after the date of the notice.

Terms common to the First Offer Agreements

JLIF or JLEN, as applicable, must notify John Laing within 20 business days after receipt of a notice described above of the interests set out in that notice that it wishes to acquire, and the price it proposes to pay for each such interest (the “CPI Price”), together with the identity of the proposed purchaser for each such interest. John Laing, in turn, will be required to notify JLIF or JLEN, as applicable, within 10 business days of receipt of the notice from the relevant fund whether it wishes to proceed with a sale of the relevant interests at the CPI Price. If John Laing notifies the relevant fund that it intends to proceed with the sale to such fund, John Laing, on the one hand, and JLIF or JLEN (as applicable), on the other hand, will be required to negotiate, acting reasonably and in good faith with a view to agreeing the terms of a sale and purchase agreement for the relevant interests, substantially in the form of a pre-agreed acquisition agreement, with such amendments thereto as the relevant parties may agree.

If John Laing notifies JLIF or JLEN, as applicable, that it does not intend to proceed with the sale to the relevant fund or if John Laing and such fund do not agree the terms of the sale and purchase agreement within 30 business days of the notice from John Laing intending to proceed with the sale, John Laing may, within two years (the “Dealing Period”), offer to sell any or all of the relevant interests to any person on terms that are not materially more advantageous to the purchaser than the terms offered by JLIF or JLEN, as applicable. John Laing will be entitled to sell to any person, on such terms as such seller shall in its absolute discretion see fit, any interests offered for sale, where the relevant fund has notified John Laing that it does not wish to acquire such interests or such fund does not respond within the 20 business day period referred to above.

If John Laing proposes to sell an interest to another person (not being another member of the Group) during the Dealing Period on terms that are materially more advantageous to the purchaser than the terms previously offered by the relevant fund, it shall first re-offer the relevant interests to such fund on such more advantageous terms.

John Laing may also notify JLIF or JLEN, as applicable, that it intends to sell a bundle of interests together. In such case, the provisions described above will apply to the bundled interests in all respects as if they related to a single interest. The relevant fund may offer to buy all, but not some only, of the bundled interests. John Laing agrees to act in good faith when deciding which interests to include in a bundle together.

The First Offer Agreements also contain provisions for the relevant parties to meet periodically, in the case of the JLIF First Offer Agreements, or at least twice in each year in the case of the JLEN First Offer Agreement, to consult on sales of interests over the following one year period.

10.7 **Banking facilities**

On 19 January 2015, the Company and certain of its subsidiaries entered into a revolving credit facilities agreement with Barclays Bank PLC and HSBC Bank plc as bookrunners, Barclays Bank PLC, HSBC Bank plc and Australia and New Zealand Banking Group Limited as mandated lead arrangers and original lenders and Barclays Bank PLC as agent providing for £350 million committed senior unsecured revolving credit facilities to be made available in two tranches, Facility A and Facility B (the "Facilities") (the "Facilities Agreement"). The maturity date of the Facilities is 9 March 2020. Under the Facilities Agreement, the Group will have the ability to utilise the Facilities for general corporate purposes in various currencies including GBP, EUR, USD, AUD, NZD and CAD. The applicable margin on Facility A and Facility B is the same. Facility B may only be used in connection with the business of the group in Australia, New Zealand and Asia. The Company can also agree with individual lenders that they provide some or all of their commitment by way of bilateral ancillary facilities (for letters of credit and bank guarantees).

The Facilities are conditional upon Admission. Consequently until the date of Admission, the Group will have an aggregate of £350 million of undrawn commitments under the Facilities Agreement. Utilisation of undrawn commitments is subject to customary utilisation conditions including that no default under the finance documents is continuing or would result from the utilisation and that certain representations that are to be repeated are true in all material respects.

The Facilities Agreement contains warranties, representations, covenants and events of default (in each case, subject to agreed exceptions, materiality tests, carve outs and grace periods) that are customary for a credit agreement of this nature. These include restrictions on disposals, mergers and acquisitions and incurring additional financial indebtedness, a negative pledge, restrictions and covenants in relation to pension schemes, financial covenants (described below) and requirements for mandatory prepayment in certain circumstances (described below).

The Facilities Agreement provides for the financial covenants to be tested semi-annually, on 30 June and 31 December. To comply with the ongoing financial covenants under the Facilities Agreement the Group must ensure that:

- the Adjusted Asset Cover Ratio (the "AACR") is not less than 2.25:1 in respect of any testing period. The AACR means the Investment Asset Value (less the value of any investment assets in construction which exceeds 45 per cent. of the Investment Asset Value) divided by the consolidated total net debt of the Group for that period. "Investment Asset Value" means the aggregate value of the investment assets held by the Group by reference to the most recently available valuation of such assets as adjusted for assets acquired or sold since the date of such valuation and updated pursuant to the agreed valuation methodology; and
- the Cash Cover Ratio is not less than 5:1 in respect of any testing period. "Cash Cover Ratio" means the consolidated Cash Yield of the Group for that period divided by the finance charges of the Group for that period (including payments of interest and amounts payable under certain swaps but excluding repayments of principal). "Cash Yield" means the net revenues of the Group for that period (including disposal proceeds representing repayment of capital). This ratio is tested on an 18-month rolling basis.

The interest rate under the Facilities Agreement is the appropriate base rate (depending on the currency utilised) plus a margin of between 2.5 to 3.25 per cent. per annum, depending on the level of AACR. The initial margin will be 2.75 per cent. per annum.

The Facilities Agreement requires the Group to prepay the Facilities on demand in certain circumstances, including if any person or group of persons (other than the Henderson Funds) acting in concert gains control of the Company following Admission. The Facilities shall also become immediately due and payable if there is a disposal of all or substantially all of the assets of the Group.

The Facilities Agreement is guaranteed by the Company and by certain of its subsidiaries.

10.8 **Reorganisation Agreements**

In order to effect the Reorganisation, the Company and other members of the Group have entered into the following agreements:

Agreement to transfer shares in HIHL to the Company

On 27 January 2015, the Company entered into an intra-group sale and purchase agreement pursuant to which the Selling Shareholder transferred its shareholding in HIHL of 2,761,933 ordinary shares to the Company in consideration for the issue of 100 million ordinary shares of £0.00000001 each in the Company. Following this transfer, the Company held the entire issued share capital of HIHL.

Waiver deed to partially release the Selling Shareholder Loan

As at 27 January 2015, £987,345,619 (including accrued interest) was owed by HIHL to the Selling Shareholder pursuant to two loans made by the Selling Shareholder (the "Selling Shareholder Loans").

On 27 January 2015, the Selling Shareholder entered into a waiver deed pursuant to which it gave notice to release £357,345,619 (including accrued interest) of the Loan due from HIHL leaving the remaining Selling Shareholder Loans equal to £630,000,000.

Agreement to assign the amount outstanding under the Selling Shareholder Loan

On 27 January 2015, pursuant to an assignment agreement, the Selling Shareholder assigned the amount of £630,000,000 owed to it pursuant to the Selling Shareholder Loans to the Company, in consideration for the issue of 299,999,980 ordinary shares of 10 pence each in the Company to the Selling Shareholder.

Agreement to release the Selling Shareholder Loan

On 27 January 2015, the Company entered into an agreement with HIHL pursuant to which the Company agreed to waive the Selling Shareholder Loans (together with associated accrued interest) in consideration for the issue of 630,000,000 ordinary shares of 0.0001 pence each in HIHL to the Company.

Agreement to hive-up assets to the Company

On 27 January 2015, the Company and John Laing plc entered into an intra-group sale and purchase agreement pursuant to which John Laing plc transferred its entire holding of shares in JLCM, John Laing Services Limited, the LIMS Companies and JLPD to the Company in consideration for £15,054,975.

11. UK Taxation

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Shares. They are based on current UK legislation and what is understood to be the current practice of HMRC as at the date of this Prospectus, both of which may change, possibly with retroactive effect.

These statements apply only to Shareholders who are resident (and, in the case of individuals, domiciled) for tax purposes in (and only in) the United Kingdom (except insofar as express reference is made to the treatment of non-UK residents), who hold their Shares as an investment (other than under an individual savings account) and who are the absolute beneficial owner of both the Shares and any dividends paid on them. The tax position of certain categories of Shareholders who are subject to special rules (such as persons acquiring their Shares in connection with employment, dealers in securities, insurance companies and collective investment schemes) is not considered.

The statements summarise the current position and are intended as a general guide only. Prospective investors who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom are strongly recommended to consult their own professional advisers.

11.1 Taxation of Dividends

The Company is not required to withhold tax when paying a dividend. The amount of any liability to tax on dividends paid by the Company will depend upon the individual circumstances of a Shareholder.

UK resident individual shareholders

An individual Shareholder who is resident for tax purposes in the United Kingdom and who receives a dividend from the Company will generally be entitled to a tax credit equal to one-ninth of the amount of the dividend received, which is equivalent to 10 per cent. of the aggregate of the dividend received and the tax credit (the "gross dividend"), and will be subject to income tax on the gross dividend. An individual UK resident Shareholder who would otherwise be subject to income tax on the gross dividend at the basic rate only will be liable to tax on the gross dividend at the rate of 10 per cent., so that the tax credit will satisfy the income tax liability of such a Shareholder in full. A Shareholder who is subject to income tax on the gross dividend at the higher rate or the additional rate will be liable to income tax on the gross dividend at the rate of 32.5 per cent. or 37.5 per cent. respectively to the extent that such sum, when treated as the top slice of that Shareholder's income, falls above the threshold for higher rate or additional rate income tax. After taking into account the 10 per cent. tax credit, a higher rate taxpayer will therefore be liable to additional income tax of 22.5 per cent. of the gross dividend, equal to 25 per cent. of the cash dividend and an additional rate taxpayer will therefore be liable to additional income tax of 27.5 per cent. of the gross dividend, equal to approximately 30.6 per cent. of the cash dividend. Where the tax credit exceeds the Shareholder's tax liability the Shareholder (whether subject to income tax at the basic rate, the higher rate or the additional rate) cannot claim repayment of the tax credit from HMRC.

UK resident corporate shareholders

It is likely that most dividends paid on the Shares to corporate Shareholders would fall within one or more of the classes of dividend qualifying for exemption from corporation tax. However, it should be noted that the exemptions are not comprehensive and are subject to anti-avoidance rules.

UK resident exempt shareholders

UK resident Shareholders who are not liable to UK tax on dividends, including pension funds and charities, are not entitled to claim repayment of the tax credit.

Non-UK resident shareholders

Shareholders who are resident outside the United Kingdom for tax purposes will not generally be able to claim repayment of any part of the tax credit attaching to dividends received from the Company, although this will depend on the existence and terms of any double taxation convention between the United Kingdom and the country in which such Shareholder is resident. A Shareholder resident outside the United Kingdom may also be subject to taxation on dividend income under local law. A Shareholder who is resident outside the United Kingdom for tax purposes should consult his own tax adviser concerning his tax position on dividends received from the Company.

11.2 Taxation of Disposals

A disposal or deemed disposal of Shares by a Shareholder who is resident in the United Kingdom for tax purposes may, depending upon the Shareholder's circumstances and subject to any available exemption or relief (such as the annual exempt amount for individuals and indexation for corporate shareholders), give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains.

Shareholders who are not resident in the United Kingdom will not generally be subject to UK taxation of capital gains on the disposal or deemed disposal of Shares unless they are carrying on a trade, profession or vocation in the United Kingdom through a branch or agency (or, in the case of a corporate Shareholder, a permanent establishment) in connection with which the Shares are used, held or acquired. Non-UK tax resident Shareholders may be subject to non-UK taxation on any gain under local law.

An individual Shareholder who has ceased to be resident for tax purposes in the United Kingdom or is treated as resident outside the United Kingdom for purposes of the double tax treaty ("Treaty non-resident") for a period of five years or less (or, for departures before 6 April 2013, ceases to be resident or ordinarily resident or becomes Treaty non-resident for a period of less than five tax years) and who disposes of all or part of his Shares during that period may be liable to capital gains tax on his return to the United Kingdom, subject to any available exemptions or reliefs.

11.3 *Stamp duty and Stamp Duty Reserve Tax ("SDRT")*

11.3.1 *The Offer*

The stamp duty and SDRT treatment of the subscription or purchase of Shares under the Offer will be as follows:

(a) The issue of Shares direct to persons acquiring Shares pursuant to the Offer will not generally give rise to stamp duty or SDRT.

(b) The transfer of, or agreement to transfer, Shares sold by the Selling Shareholder under the Offer will generally give rise to a liability to stamp duty and/or SDRT at a rate of 0.5 per cent. of the Offer Price (in the case of stamp duty, rounded up to the nearest multiple of £5). The Selling Shareholder has agreed to meet such liability. An exemption from stamp duty is available on an instrument transferring Shares where the amount or value of the consideration is £1,000 or less, and it is certificated on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions in respect of which the aggregate amount or value of the consideration exceeds £1,000.

11.3.2 *Subsequent Transfers*

Stamp duty at the rate of 0.5 per cent. (rounded up to the next multiple of £5) of the amount or value of the consideration given is generally payable on an instrument transferring Shares. As noted above, an exemption from stamp duty is available on an instrument transferring Shares where the amount or value of the consideration is £1,000 or less, and it is certificated on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions in respect of which the aggregate amount or value of the consideration exceeds £1,000. A charge to SDRT will also arise on an unconditional agreement to transfer Shares (at the rate of 0.5 per cent. of the amount or value of the consideration payable). However, if within six years of the date of the agreement becoming unconditional an instrument of transfer is executed pursuant to the agreement, and stamp duty is paid on that instrument, any SDRT already paid will be refunded (generally, but not necessarily, with interest) provided that a claim for repayment is made, and any outstanding liability to SDRT will be cancelled. The liability to pay stamp duty or SDRT is generally satisfied by the purchaser or transferee.

11.3.3 *Shares held through CREST*

Paperless transfers of Shares within CREST are generally liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration. CREST is obliged to collect SDRT on relevant transactions settled within the system. The charge is generally borne by the purchaser. Under the CREST system, no stamp duty or SDRT will arise on a transfer of Shares into the system unless such a transfer is made for a consideration in money or money's worth, in which case a liability to SDRT (usually at a rate of 0.5 per cent.) will arise.

11.3.4 *Shares held through Clearance Systems or Depositary Receipt Arrangements*

Special rules apply where Shares are issued or transferred to, or to a nominee or agent for, either a person whose business is or includes issuing depository receipts within Section 67 or Section 93 of the Finance Act 1986 or a person providing a clearance service within Section 70 or Section 96 of the Finance Act 1986, under which SDRT or stamp duty may be charged at 1.5 per cent.

Following litigation HMRC have confirmed that they will no longer seek to apply the 1.5 per cent. SDRT charge on the issue of shares into a clearance service or depositary receipt arrangement on the basis that the charge is not compatible with EU law. HMRC's view is that the 1.5 per cent. SDRT or stamp duty charge will continue to apply to transfers of shares into a clearance service or depository receipt arrangement unless they are an integral part of an issue of share capital. This view is currently being challenged in further litigation. Accordingly specific professional advice should be sought before incurring a 1.5 per cent. stamp duty or SDRT charge in any circumstances.

The statements in this paragraph 11.3 apply to any holders of Shares irrespective of their residence, summarise the current position and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries.

11.4 **Inheritance Tax**

The Shares will be assets situated in the United Kingdom for the purposes of UK inheritance tax. A gift or settlement of such assets by, or on the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax even if the holder is neither domiciled in the United Kingdom nor deemed to be domiciled there under certain rules relating to long residence or previous domicile. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit.

Special rules also apply to close companies and to trustees of settlements who hold Shares, bringing them within the charge to inheritance tax. Shareholders should consult an appropriate tax adviser if they make a gift or transfer at less than market value or intend to hold any Shares through trust arrangements.

12. Certain US Federal Income Taxation

The following discussion is a general summary based on present law of certain US federal income tax consequences of the acquisition, ownership and disposition of Shares. The discussion is not a complete description of all tax considerations that may be relevant. It applies only to US Holders (as defined below) that acquire Shares in the Offer (and only to Shares so acquired), hold Shares as capital assets and use the US dollar as their functional currency. The discussion is a general summary; it is not a substitute for tax advice. It does not address the tax treatment of prospective investors subject to special rules, such as banks or other financial institutions, insurance companies, tax exempt entities, dealers, traders in securities that elect to mark-to-market, regulated investment companies, real estate investment trusts, investors liable for alternative minimum tax, US expatriates, persons that directly, indirectly or constructively own 10 per cent. or more of the Company's equity interests, investors that hold shares in connection with a permanent establishment or fixed base outside the United States, or investors that hold Shares as part of a hedge, straddle, conversion, constructive sale or other integrated financial transaction. This summary also does not address US federal taxes other than the income tax (such as estate or gift taxes), US state and local, or non-US tax laws or matters.

As used here, a "US Holder" means a beneficial owner of the Shares that is for US federal income tax purposes (i) a citizen or individual resident of the United States, (ii) a corporation created or organised under the laws of the United States, any state thereof, or the District of Columbia, (iii) a trust subject to the control of one or more US persons and the primary supervision of a US court and (iv) an estate the income of which is subject to US federal income tax without regard to its source.

The US federal income tax treatment of a partner in a partnership (or other entity or arrangement treated as a partnership for US federal income tax purposes) that holds Shares will generally depend on the status of the partner and the activities of the partnership. Partnerships and partners in partnerships should consult their tax advisers concerning the US federal income tax consequences to their partners of the acquisition, ownership and disposition of Shares.

US Holders should note that the discussion above entitled "UK Taxation" in this Part 14 is also relevant. See in particular the discussion in paragraph 11.3 "Stamp duty and Stamp Duty Reserve Tax ("SDRT")" above.

Dividends

Subject to the discussion below under "—Passive Foreign Investment Company Rules," the gross amount of any distribution of cash or property with respect to the Shares (other than certain distributions, if any, of the Shares distributed pro rata to all Shareholders) will be included in a US Holder's gross income as ordinary income to the extent of the Company's current and accumulated earnings and profits as determined under US federal income tax laws. The Company does not expect to maintain calculations of earnings and profits for US federal income tax purposes. Therefore, a US Holder should expect that such distribution will generally be treated as a dividend from foreign sources when received. The dividends will not be eligible for the dividends-received deduction generally available to US corporations.

Dividends received by eligible non-corporate US Holders, however, should be taxed at the preferential rates applicable to qualified dividend income if the Company qualifies for the benefits of the income tax treaty between the United States and the United Kingdom (the "US-UK Treaty"), which the Company believes it does, and such dividend is paid on Shares that have been held by such US holder for at least 61 days during the 121-day period beginning 60 days before the ex-dividend date and the Company is not a passive foreign investment company ("PFIC") in the year of distribution or the preceding year.

Dividends paid in a currency other than US dollars will be included in income in a US dollar amount based on the exchange rate in effect on the date of receipt, whether or not the currency is converted into US dollars at that time. A US Holder's tax basis in the non-US currency will equal the US dollar amount included in income. Any gain or loss on a subsequent conversion or other disposition of the non-US currency for a different US dollar amount generally will be US source ordinary income or loss. If dividends paid in a currency other than US dollars are converted into US dollars on the day they are received, the US Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

Dividends received by certain non-corporate US Holders will generally be includible in "net investment income" for purposes of the Medicare contribution tax.

Dispositions

Subject to the discussion below under "Passive Foreign Investment Company Rules", a US Holder generally will recognise capital gain or loss on the sale or other disposition of Shares equal to the difference between the US dollar value of the amount realised and the US Holder's tax basis in the Shares. The US Holder's amount realised will include the gross amount of the proceeds from the sale or other disposition. Any gain or loss generally will be treated as arising from US sources. Any loss will also be long-term to the extent the US Holder previously received qualified dividends in excess of 10 per cent. of the US Holder's adjusted tax basis in the Shares. The gain or loss will be long-term capital gain or loss if the US Holder's holding period exceeds one year. Long-term capital gains of non-corporate US Holders are subject to preferential tax rates. Deductions for capital loss are subject to significant limitations.

The initial tax basis of the US Holder's Shares will be the US dollar value of the foreign currency denominated purchase price determined at the spot rate of exchange on the date of purchase. If the Shares are treated as traded on an "established securities market," a cash basis US Holder (or, if it elects, an accrual basis US Holder) will determine the US dollar value of the cost of such Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

A US Holder that receives foreign currency on the sale or other disposition of the Shares will realise an amount equal to the US dollar value of the foreign currency at the spot rate of exchange on the date of sale or other disposition (or in the case of Shares traded on an "established securities market" that are sold by a cash basis or electing accrual basis taxpayer, the settlement date). A US Holder will recognise currency gain or loss if the US dollar value of the currency received at the spot rate of exchange on the settlement date differs from the amount realised. A US Holder will have a tax basis in the foreign currency received equal to its US dollar value at the spot rate on the settlement date. Any currency gain or loss realised on the settlement date or on a subsequent conversion of the foreign currency into US dollars will be US source ordinary income or loss.

Capital gains from the sale or other disposition of the Shares received by certain non-corporate US Holders will generally be includible in "net investment income" for purposes of the Medicare contribution tax.

Passive Foreign Investment Company Rules

A non-US corporation will be a PFIC for any taxable year in which, taking into account its proportionate share of the income and assets of 25 per cent. or more owned subsidiaries, (1) 75 per cent. or more of its gross income consists of passive income, or (2) 50 per cent. or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income. For these purposes, cash is considered a passive asset and passive income generally includes, among other things, dividends, rents, royalties and gains from the disposition of investment assets (subject to various exceptions), but goodwill (which can be valued based on the Company's market capitalisation) may not be considered a passive asset. Based on all information available to it, the Company has no reason to believe it would be classified as a PFIC for the prior taxable year, the current taxable year or to expect it would be classified as a PFIC for any future taxable year; however, no definitive determination regarding the Company's PFIC status has been made at this time. Whether the Company is a PFIC is a factual determination made annually, so that even if not currently classified as a PFIC, the Company's status could change depending upon, among other things, changes in the composition and relative value of its gross receipts and assets and its market capitalization, and the manner in which the Company otherwise conducts its business. Accordingly, no assurance can be given that the Company will not be a PFIC in the current or any future taxable year.

If the Company is a PFIC for any taxable year during which a US Holder holds the Shares, gain recognised by a US Holder on a sale or other taxable disposition (including certain pledges) of those Shares will generally be allocated rateably over the US Holder's holding period for the Shares. The amounts allocated to the taxable year of the sale or other taxable disposition and to any year before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations for that year, as appropriate, and an interest charge would be imposed. Further, to the extent that any distribution received by a US Holder on its Shares treated as an investment in a PFIC exceeds 125 percent of the average of the annual distributions on those Shares received during the preceding three years or the US Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain, as described immediately above.

The Company may own, directly or indirectly, equity interests in other entities which are PFICs ("Lower-tier PFICs"). Under proposed Treasury regulations, if the Company were a PFIC, a US Holder would be subject to tax under the rules described above on (i) excess distributions by a Lower-tier PFIC and (ii) a disposition of shares of a Lower-tier PFIC, in each case as if the US Holder held such shares directly, even though the US Holder has not actually received the proceeds of those distributions or dispositions. Accordingly, if these proposed regulations are finalised in their current form, US Holders of the Shares generally would be subject to tax under the PFIC rules described above if the Company or the entity owning the shares of such Lower-tier PFIC were to receive distributions from, or dispose of the shares of, such Lower-tier PFIC. Because these proposed regulations are not currently in effect, the treatment of distributions with respect to and dispositions of shares of a Lower-tier PFIC is uncertain and, therefore, US Holders should consult their own tax advisors as to how to treat distributions by, and dispositions of shares of, a Lower-tier PFIC.

A US Holder may be able to avoid some of the adverse impacts of the PFIC rules described above by electing to mark the Shares to market annually. The election is available only if the Shares are considered "marketable stock," which generally includes stock that is regularly traded in more than de minimis quantities on a qualifying exchange. If a US Holder makes the mark-to-market election, any gain from marking the Shares to market or from disposing of them would be ordinary income. Any loss from marking the Shares to market would be recognised only to the extent of unreversed gains previously included in income. Loss from marking the Shares to market would be ordinary, but loss on disposing of them would be capital loss except to the extent of mark-to-market gains previously included in income. The Company expects the London Stock Exchange, where the Shares are expected to trade, to be a qualifying exchange. However, no assurance can be given that the Shares will be considered regularly traded, and therefore considered "marketable stock," for purposes of the PFIC mark-to-market election. A valid mark-to-market election cannot be revoked without the consent of the IRS unless the Shares cease to be marketable stock. US Holders will not be able to make mark-to-market elections with respect to Lower-tier PFICs. Each US Holder is encouraged to consult its own tax adviser as to the Company's status as a PFIC and whether a mark to market election is available or desirable in their particular circumstances.

A US Holder would not be able to avoid the tax consequences described above by electing to treat the Company as a qualified electing fund ("QEF") because the Company does not intend to provide US Holders with the information that would be necessary to make a QEF election with respect to the Shares.

US Holders should consult their own tax advisers concerning the Company's possible PFIC status and the consequences to them if the Company were a PFIC for any taxable year.

Information Reporting and Backup Withholding

Dividends on Shares and proceeds from the sale or other disposition of Shares may be reported to the IRS unless the holder establishes a basis for exemption. Backup withholding tax may apply to amounts subject to reporting. Any amount withheld may be credited against the holder's US federal income tax liability subject to certain rules and limitations. US Holders should consult with their own tax advisers regarding the application of the US information reporting and backup withholding rules.

Certain non-corporate US Holders are required to report information with respect to investments in Shares not held through an account with a domestic financial institution. US Holders that fail to report required information could become subject to substantial penalties. Potential investors are encouraged to consult with their own tax advisers about these and any other reporting obligations arising from their investment in Shares.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN SHARES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

13. Enforcement and civil liabilities under US federal securities laws

The Company is a public limited company incorporated under English law. Many of the Directors are citizens of the United Kingdom (or other non-US jurisdictions), and a portion of the Company's assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Directors or to enforce against them in the US courts judgments obtained in US courts predicated upon the civil liability provisions of the US federal securities laws. There is doubt as to the enforceability in England, in original actions or in actions for enforcement of judgments of the US courts, of civil liabilities predicated upon US federal securities laws.

14. Litigation and disputes

14.1 East West Link

Shortly following the successful financial close of the East West Link project in October 2014 (details of which are set out in paragraph 9.3 in Part 6 "Business Description"), the then-opposition Australian Labor Party was elected to government in Victoria, Australia. The Australian Labor Party had publicly stated its objection to the project in the lead up to the election. Since being elected into government, the Australian Labor Party administration has given the successful consortium formal notice of suspension of the project. While in opposition, the Australian Labor Party had publicly alleged that the project agreement could be invalid due to failures in process by the former administration. John Laing is acting on the basis that the project agreement is valid and that the consortium will be entitled to compensation in accordance with the project agreement if the State exercises its right to terminate for convenience; in this case John Laing expects that its £63 million investment (secured by way of letter of credit and cash collateral) will be released. The process that the government will follow during, and following, the subsisting suspension is not currently known and it may be some months before a conclusion is reached.

14.2 A1 Gdansk Poland (Phase 2)

Following early completion of Phase 2 of the project (details of which are set out in paragraph 8.2.4 in Part 6 "Business Description"), a completion bonus of approximately €50 million was payable to the Contractor pursuant to the EPC contract, and which was recoverable by the Project Company from the Polish Ministry of Infrastructure. The Ministry contested the early completion dates and so the matter was put to arbitration. In July 2014, an arbitration award was made in favour of the Project Company. However, the Project Company has not yet received payment from the Ministry. Whilst the Group has reflected this in the book value of its investment in the A1 Gdansk Poland project (Phase 2), the Directors believe that, particularly in light of the recent arbitration, there is a reasonable prospect of recovering the completion bonus from the Ministry in due course.

14.3 Newcastle Hospital

At the time of the Group's agreed sale of an 18.75 per cent. stake in Newcastle Hospital to JLIF in September 2011, a number of alleged construction defects in relation to a clinical office building were notified to the Project Company by Newcastle Upon Tyne Hospitals NHS Trust. Although primarily an issue to be resolved by the contractor, Laing O'Rourke, the Group agreed to give an indemnity to JLIF in relation to a proportion of certain costs of the Project Company that may arise in relation to such construction defects. The indemnity has a de minimis of £150,000. The Directors believe that any liability to JLIF under the indemnity will not be significant.

14.4 The Consulting Association

In addition to the project specific matters disclosed above, the Group was engaged in the construction industry until the sale of its construction business in 2001. The Group has agreed to pay contributions to an industry-wide arrangement, set up by a number of current employers in the UK construction industry, that is designed to provide compensation to certain workers in the construction industry affected by the historic activities of a body called The Consulting Association ("The TCA"), including over the period when the Group was engaged in construction activities. The TCA received and maintained data on certain workers within the construction industry, and concerns have been raised that their employment prospects might have been adversely affected as a consequence. A number of individuals may choose to pursue court claims instead of participating in the industry-wide compensation scheme and the Group expects to pay a similar share of any liabilities that may arise in connection with such claims. The precise liability of the Group under the arrangements described in this paragraph is unclear but is not expected to be material in the context of the Group as a whole.

14.5 Save as described in this paragraph 14, there are no governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this Prospectus, which may have, or have had, a significant effect on the Company's and/or the Group's financial position or profitability.

15. Related party transactions

Save as described in the Company's combined historical financial information for the nine months ended 30 September 2014 and the three years ended 31 December 2013, 2012 and 2011 set out in Part 11 "Combined Historical Financial Information" and in paragraph 1.9 "Incorporation and share capital", paragraph 10.4 "Tax Separation Deed" and paragraph 10.8 "Reorganisation Agreement" of this Part 14, there are no related party transactions between the Company or members of the Group that were entered into during the nine months ended 30 September 2014 and the financial years ended 31 December 2013, 2012 and 2011 and during the period between 30 September 2014 and the date of this Prospectus.

16. Working capital

In the opinion of the Company, taking into account the net proceeds receivable by the Company from the Offer, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months following the date of this Prospectus.

17. No significant change

There has been no significant change in the financial or trading position of the Group since 30 September 2014, the date to which the combined historical financial information of the Group in Part 11 "Combined Historical Financial Information" was prepared.

18. Intermediaries

The Intermediaries authorised at the date of this document to use this document in connection with the Intermediaries Offer are:

Name:	Address:
AJ Bell Securities Limited	Trafford House, Chester Road, Manchester M32 0RS
Albert E Sharp LLP	Seven Elm Court, Arden Street, Stratford-Upon-Avon CV37 6PA
ALL IPO PLC	Suite 27, Essex Technology Centre The Gables, Fyfield Road, Ongar, Essex CM5 0GA
Alliance Trust Savings Limited	PO Box 164, 8 West Marketgait, Dundee DD1 9YP
Arnold Stansby & Co Limited	Alexandra Buildings, Queen Street, Manchester M2 5JJ
Barclays Bank Plc	1 Churchill Place, London E14 5HP
Beaufort Asset Clearing Services Limited	131 Finsbury Pavement, London EC2A 1NT
Canaccord Genuity Wealth Management Limited	4 Lothbury, London EC2R 7AE
Charles Stanley & Co Ltd	25 Luke Street, London EC2A 4AR

Name:	Address:
Cornhill Capital Limited	4th Floor, 18 St Swithins Lane, London EC4N 8AD
EFG Harris Allday	33 Great Charles Street, Birmingham B3 3JN
Equiniti Financial Services Limited	Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA
Hargreave Hale Limited	9-11 Neptune Court, Hallam Way, Blackpool FY4 5LZ
Hargreaves Lansdown Asset Management Limited	One College Square South, Anchor Road, Bristol BS1 5HL
Interactive Investor Trading Limited	21 Mansell Street, London E1 8AA
J M Finn & Co	4 Coleman Street, London EC2R 5TA
Jarvis Investment Management Ltd	78 Mount Ephraim, Tunbridge Wells, Kent TN4 8BS
Killik & Co	46 Grosvenor Street, London W1K 3HN
Midas Investment Management Limited	Arthur House, Chorlton Street, Manchester M1 3FH
Novum Securities Limited	47 Park Lane, London W1K 1PR
Old Park Lane Capital Plc	49 Berkeley Square, London W1J 5AZ
Paul E Schweder Miller & Co	46-50 Tabernacle Street, London EC2A 4SJ
Pilling & Co	Henry Pilling House, 29 Booth Street, Manchester M2 4AF
Redmayne-Bentley LLP	9 Bond Court, Leeds LS1 2JZ
Rowan Dartington & Co Ltd	Colston Tower, Colston Street, Bristol BS1 4RD
Shore Capital Stockbrokers Limited	Bond Street House, 14 Clifford Street, London W1S 4JU
SVS Securities PLC	110 Fenchurch Street, London EC3M 5JT
TD Direct Investing	Exchange Court, Duncombe Street, Leeds LS1 4AX
The Share Centre Limited	Oxford House, Oxford Road, Aylesbury HP21 8SZ
WH Ireland Limited	11 St James's Square, Manchester M2 6WH
Walker Crips Stockbrokers Limited	Finsbury Tower 103-105, Bunhill Row, London EC1Y 8LZ

Any new information with respect to financial intermediaries unknown at the time of publication of this document including in respect of: (i) any intermediary financial institution that is appointed by the Company in connection with the Intermediaries Offer after the date of this document following its agreement to adhere to and be bound by the Intermediaries Terms and Conditions, and (ii) any Intermediary that ceases to participate in the Intermediaries Offer, will be made available on the Company's website at www.laing.com.

18.1 *Intermediaries Terms and Conditions*

The Intermediaries Terms and Conditions regulate the relationship between the Company, the Selling Shareholder, the Intermediaries Offer Adviser, the Banks and each of the Intermediaries that is accepted by the Company to act as an Intermediary after making an application for appointment in accordance with the Intermediaries Terms and Conditions.

18.1.1 *Capacity and liability*

The Intermediaries have agreed that, in connection with the Intermediaries Offer, they will be acting as agent for retail investors in the United Kingdom, the Channel Islands and the Isle of Man who wish to acquire Shares under the Intermediaries Offer (the "Underlying Applicants"). None of the Company, the Selling Shareholder, the Intermediaries Offer Adviser or any of the Banks will have any responsibility for any liability, costs or expenses incurred by any Intermediary.

18.1.2 *Eligibility to be appointed as an Intermediary*

In order to be eligible to be considered by the Company for appointment as an Intermediary, each Intermediary must be:

(a) authorised by the FCA or the Prudential Regulatory Authority in the United Kingdom; or

(b) authorised by a competent authority in another EEA jurisdiction with the appropriate authorisations to carry on the relevant activities in the United Kingdom; or

(c) a member firm of the London Stock Exchange conducting business in the Channel Islands or the Isle of Man; or

(d) in respect of acting as agents for Underlying Applicants in Jersey, authorised by the Jersey Financial Services Commission to carry on the relevant class of investment business in Jersey; or

(e) a person licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) to carry on restricted activities in respect of category 2 controlled investments under such Law

and in each case have appropriate permissions, licences, consents and approvals to act as Intermediary in the United Kingdom, Jersey, Guernsey or the Isle of Man, as applicable. Each Intermediary must also:

(a) be a member of CREST; or

(b) have arrangements with a clearing firm that is a member of CREST.

Each Intermediary must also, to the extent applicable, conduct its business in the Isle of Man in compliance with the licensing requirements of the Isle of Man Financial Services Act 2008 or any relevant exclusion or exemption therefrom and all other relevant Isle of Man laws and regulations.

18.1.3 *Application for Shares*

A minimum application amount of £1,000 per Underlying Applicant will apply. There is no maximum limit on the monetary amount that Underlying Applicants may apply to invest. The Intermediaries have agreed not to make more than one application per Underlying Applicant. Any application made by investors through any Intermediary is subject to the terms and conditions agreed with each Intermediary.

Allocations of Shares under the Intermediaries Offer will be at the absolute discretion of the Company and the Selling Shareholder, after consultation with the Joint Global Co-ordinators. If there is excess demand for Shares in the Intermediaries Offer, allocations of Shares may be scaled down to an aggregate value which is less than that applied for. Each Intermediary will be required by the Company to apply the basis of allocation to all allocations to Underlying Applicants who have applied through such Intermediary.

18.1.4 *Effect of Intermediaries Offer Application Form*

By completing and returning an Intermediaries Offer Application Form, an Intermediary will be deemed to have irrevocably agreed to invest or procure the investment in Shares of the aggregate amount stated on the Intermediaries Offer Application Form or such lesser amounts in respect of which such application may be accepted. The Company, the Selling Shareholder and the Joint Global Co-ordinators reserve the right to reject, in whole or in part, or to scale down, any application for Shares in the Intermediaries Offer.

18.1.5 *Commission*

The Company and the Selling Shareholder have agreed to pay those Intermediaries who have elected to receive it a commission of 1 per cent. of the amount equal to the Offer Price multiplied by the aggregate number of Shares sold pursuant to the Intermediaries Offer.

18.1.6 *Information and communications*

The Intermediaries have agreed to give certain undertakings regarding the use of information provided to them in connection with the Intermediaries Offer (both prior to and following publication of the Prospectus). The Intermediaries have given certain undertakings regarding their role and responsibilities in the Intermediaries Offer and are subject to certain restrictions on their conduct in connection with the Intermediaries Offer, including in relation to their responsibility for information, communications, websites, advertisements and their communications with clients and the press.

18.1.7 *Representations and warranties*

The Intermediaries have given representations and warranties that are relevant for the Intermediaries Offer, and have agreed to indemnify the Company, the Selling Shareholder, the Intermediaries Offer Adviser and the Banks against any loss or claim arising out of any breach by them of the Intermediaries Terms and Conditions or as a result of a breach of any duties or obligations under FSMA or under any rules of the FCA or any applicable laws or as a result of any other act or omission by an Intermediary in connection with the subscription or purchase and/or resale of Shares by the Intermediaries or any Underlying Applicant.

19. Consents

Deloitte LLP has given and has not withdrawn its written consent to the inclusion in this Prospectus of its accountants' report as included in Section A of Part 11 "Combined Historical Financial Information" and its report concerning the unaudited pro forma statement of net assets as included in Part 12 "Unaudited Combined Pro Forma Financial Information" of this Prospectus and the references thereto in the form and context in which they appear and has authorised the contents of its reports for the purposes of item 5.5.3R(2)(f) of the Prospectus Rules.

A written consent under the Prospectus Rules is different from a consent filed with the SEC under Section 7 of the Securities Act. As the Shares have not been paid and will not be registered under the Securities Act, Deloitte LLP has not filed consent under section 7 of the Securities Act.

20. General

20.1 The aggregate expenses of, or incidental to, Admission and the Offer to be borne by the Company, including the Underwriters' commission, the FCA's fees, professional fees and expenses and the costs of printing and distribution of documents, are estimated to amount to approximately £10 million (including VAT). The aggregate underwriting commissions and amounts in respect of stamp duty or SDRT payable by the Selling Shareholder in connection with the Offer are estimated to be approximately £7.4 million (assuming that the Offer Price is set at the mid-point of the Price Range, the Existing Share Offer Size is set at a level to achieve a free float of 45 per cent. and no exercise of the Over-allotment Option).

20.2 The financial information contained in this document does not amount to statutory accounts within the meaning of section 434(3) of the Act. Full audited accounts have been delivered to the Registrar of Companies for the Company for the years ended 31 December 2013, 2012 and 2011.

20.3 Each New Share is expected to be issued at a premium of 210 pence to its nominal value of 10 pence (assuming the Offer Price is set at the mid-point of the Price Range).

21. Documents available for inspection

Copies of the following documents will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 12 months following Admission at the offices of Freshfields Bruckhaus Deringer LLP at 65 Fleet Street, London EC4Y 1HS:

(a) the Articles of Association of the Company;

(b) the combined historical financial information of the Group in respect of the three financial years ended 31 December 2011, 2012 and 2013 and the nine-month period ended 30 September 2014, together with the related accountants report from Deloitte LLP, and the unaudited interim financial information in respect of the nine months ended 30 September 2013 which are set out in Part 11 "Combined Historical Financial Information";

(c) the accountants report from Deloitte LLP on the unaudited combined pro forma financial information, which is set out in Part 12 "Unaudited Combined Pro Forma Financial Information";

(d) the consent letter referred to in "Consents" in paragraph 19 above; and

(e) this Prospectus.

Dated: 29 January 2015

PART 15
DEFINITIONS AND GLOSSARY

Definitions

The following definitions apply throughout this document unless the context requires otherwise:

“Act” the Companies Act 2006, as amended

“Adjusted NAV” adjusted net asset value, as defined in paragraph 3.5 of Part 2 “Presentation of Financial and Other Information”

“Admission” the admission of the Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities

“ARR” annualised rate of return, as defined in paragraph 3.2 of Part 2 “Presentation of Financial and Other Information”

“Articles” the Articles of Association of the Company to be adopted upon Admission

“Banks” the Underwriters and Barclays Capital Securities Limited

“Benefit Plan Investor” any person with any interest in (i) any employee benefit plan (as defined in section 3(42) of ERISA) that is subject to part 4 of Title I of ERISA; (ii) any plan to which section 4975(e)(1) of the US Internal Revenue Code of 1986, as amended, applies; or (iii) any entity whose underlying assets are plan assets by reason of a plan’s investment in the entity

“Board” the board of directors of the Company

“Book Value” the value at which John Laing records its investment in a project in its accounts, net of future investment commitments to such project secured by LCs or cash collateral

“BSOHSAS” British Standard Occupational Health & Safety Assessment Series

“cash yield from investments” comprises payments from a Project Company, either in the form of dividends (on capital provided in the form of equity) or debt interest and repayments (in respect of capital provided in the form of a subordinated shareholder loan)

“City Code” the City Code on Take-overs and Mergers

“Combined Historical Financial Information” the combined financial results of John Laing Group plc and Henderson Infrastructure Holdco Limited (“HIHL”) and its subsidiaries (together, the “Group”), for the nine months ended 30 September 2014 and the three years ended 31 December 2013

“Company” John Laing Group plc

“Consortium” a consortium in which the Group is a member

“CREST” the UK-based system for the paperless settlement of trades in listed securities, of which Euroclear UK and Ireland Limited is the operator

“DECC” the UK Department of Energy and Climate Change

“DfT” the UK Department for Transport

“Directors” the Executive Directors and the Non-Executive Directors

“DTP” Denver Transit Partners

“EEA” the European Economic Area

“EPC” engineering, procurement and construction contract

“EPEC” European PPP Expertise Centre

“ERISA” the US Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder

“EU” the European Union

“EU Emission Trading System” the European Emission Trading System, established by Directive 2003/87/EC of the European Parliament, as amended

“Executive Directors” the executive Directors of the Company

“Existing Share Offer Size” the number of Existing Shares to be sold in the Offer

“Existing Share Offer Size Range” expected to be between 43,410,256 and 158,897,959 Shares (excluding any Shares which may be sold pursuant to the Over-allotment Option)

“Existing Shares” Shares to be sold as part of the Offer by the Selling Shareholder (excluding, for the avoidance of doubt, the Over-allotment Shares)

“External AUM” John Laing’s assets under management on behalf of third parties

“Facilities Agreement” the facilities agreement dated 19 January 2015 as described in paragraph 10.7 of Part 14 “Additional Information”

“FCA” the UK Financial Conduct Authority

“Financial Adviser” Greenhill & Co. International LLP

“financial close” a key milestone at which full contractual commitment (i.e. all contracts and service delivery plans and binding contracts, including committed financing) is made to a project so that project implementation (i.e. construction and operation) can start

“free float” the percentage of Shares held by persons other than the Selling Shareholder, the Non-Executive Directors and Senior Management upon Admission

“FSMA” the Financial Services and Markets Act 2000, as amended

“Governance Code”	the UK Corporate Governance Code issued by the Financial Reporting Council, as amended from time to time
“Governmental Entities”	governmental or other public sector authorities
“Gross Value”	the fair book value of the Group’s investment in a project, plus the amount of future investment that has been committed to such project secured by LCs or cash collateral and, as at 31 December 2012 and 2011, parent company guarantees
“Group” or “John Laing”	save where otherwise indicated, “Group” or “John Laing” means the Company and its subsidiaries
“GTAI”	German Trade & Invest
“GTC”	Gdansk Transport Company
“Henderson Funds”	Henderson PFI Secondary Fund L.P. and Henderson PFI Secondary Fund II L.P.
“Henderson General Partner”	Henderson Equity Partners (GP) Limited as general partner of the Henderson Funds
“Henderson Manager”	Henderson Equity Partners Limited
“HIHL”	Henderson Infrastructure Holdco Limited
“HMRC”	HM Revenue and Customs
“HPC Nominees Limited”	the nominee of the Henderson Funds
“HTM IRR”	hold-to-maturity internal rate of return, as defined in paragraph 3.1 of Part 2 “Presentation of Financial and Other Information”
“IEP”	the DfT’s Intercity Express Programme
“IFRS”	International Financial Reporting Standards, as adopted by the European Union
“Institutional Offer”	the Offer of Shares to institutional investors as described in Part 13 “Details of the Offer”
“Intermediaries”	the entities listed in paragraph 18 of Part 14 “Additional Information”, together with any other intermediary (if any) that is appointed by the Company in connection with the Intermediaries Offer after the date of this document
“Intermediaries Offer”	the offer of Shares to the Intermediaries as described in Part 13 “Details of the Offer”
“Intermediaries Offer Adviser”	Solid Solutions (Associates) UK Limited
“Intermediaries Offer Application Form”	the form of application for Shares in the Intermediaries Offer used by the Intermediaries
“Intermediaries Terms and Conditions”	the terms and conditions on which each Intermediary has agreed to be appointed by the Company to act as an Intermediary in the Intermediaries Offer and pursuant to which Intermediaries may apply for Shares in the Intermediaries Offer, details of which are set out in paragraph 18.1 of Part 14 “Additional Information”
“IRS”	the US Internal Revenue Service
“JLCM”	John Laing Capital Management Limited

"JLEN"	John Laing Environmental Assets Group Limited
"JLIF"	John Laing Infrastructure Fund Limited
"JLPD"	John Laing Projects and Developments
"JLPF"	John Laing Pension Fund
"JLPF Trustee"	John Laing Pension Trust Limited, the trustee of JLPF
"JLPP"	John Laing Pension Plan
"Joint Bookrunners"	Barclays Bank PLC and HSBC Bank plc
"Joint Global Co-ordinators"	Barclays Bank PLC and HSBC Bank plc
"Joint Sponsors"	Barclays Bank PLC and HSBC Bank plc
"LC"	a bank-issued letter of credit
"Lead Manager"	RBC Europe Limited (trading as RBC Capital Markets)
"LIMS Companies"	John Laing (USA) Limited, Laing Investments Management Services Limited, Laing Investments Management Services (Australia) Limited, Laing Investments Management Services (Canada) Limited, Laing Investments Management Services (Netherlands) Limited, Laing Investments Management Services (Singapore) Limited and Laing Investments Management Services (New Zealand) Limited
"Listing Rules"	the listing rules of the FCA made under section 74(4) of the FSMA
"London Stock Exchange"	London Stock Exchange plc
"McKinsey"	McKinsey & Company
"Member States"	member states of the European Union
"MM"	money multiple, as defined in paragraph 3.3 of Part 2 "Presentation of Financial and Other Information"
"MSA"	Management Services Agreement
"New Share Offer Size"	the number of New Shares to be issued in the Offer
"New Share Offer Size Range"	expected to be between 53,061,224 Shares and 66,666,667 Shares
"New Shares"	new Shares in the Company to be allotted and issued as part of the Offer
"NISA"	New Individual Savings Account
"Non-Executive Directors"	the non-executive Directors of the Company
"OECD"	Organisation for Economic Co-operation and Development
"Offer"	the Institutional Offer and the Intermediaries Offer
"Offer Price"	the price at which each Share is to be issued or sold pursuant to the Offer
"Official List"	the Official List of the FCA

“Over-allotment Option” the option granted to the Stabilising Manager by HPC Nominees Limited to purchase, or procure purchasers for, additional Shares representing up to 15 per cent. of the Offer as more particularly described in Part 13 “Details of the Offer”

“Over-allotment Shares” The Existing Shares the subject of the Over-allotment Option

“PCAOB” the Public Company Accounting Oversight Board (United States)

“Portfolio Book Value” the book value of the Group’s investment portfolio

“post-tax cash flow” post-tax cash flows including all equity and debt payments received by the Group from Project Companies

“PPP” a public-private partnership

“Pricing Agreement” the pricing agreement to be executed by the Company, the Selling Shareholder, HPC Nominees Limited and the Banks immediately prior to the announcement of the Offer Price pursuant to which, among other things, each Underwriter severally, and not jointly or jointly and severally, agrees to procure subscribers for the New Shares and purchasers for the Existing Shares to be sold in the Offer, and to the extent that such Shares are not so subscribed or purchased, subscribe for or purchase themselves such number of New Shares and such number of Existing Shares to be sold in the Offer, in each case at the Offer Price

“Pricing Statement” the pricing statement to be published on or about 12 February 2015 by the company detailing the Offer Price and the number of Shares which are the subject of the Offer

“Primary Investment team” the Group’s primary investment team

“Private Placement Provinces” the Canadian provinces of Ontario, Québec, British Columbia and Alberta

“Project Company” a project company in which the Group has an interest

“Prospectus” the final prospectus approved by the FCA as a prospectus prepared in accordance with the Prospectus Rules made under section 73A of the FSMA

“Prospectus Directive” the expression “Prospectus Directive” means Directive 2003/71/EC as amended including by Directive 2010/73/EU and includes any relevant implementing measure in each Relevant Member State.

“PV” photo-voltaic

“qualified institutional buyers” or “QIBs” has the meaning given by Rule 144A

“Qualified Investors” persons who are “qualified investors” within the meaning of Article 2(1)(e) of the Prospectus Directive “qualified purchasers” or “QPs” . . . . has the meaning given by the US Investment Company Act

“Receiving Agent” . . . . Equiniti Limited

“Registrars” . . . . Equiniti Limited

“Regulation S” . . . . Regulation S under the US Securities Act

“Relationship Agreement” . . . . the relationship agreement entered into between the Company and the Selling Shareholder, HPC Nominees Limited and Henderson General Partner are set out in paragraph 4 “Relationship Agreement with principal shareholder” in Part 7 “Directors, Senior Management and Corporate Governance”

“Reorganisation” . . . . the reorganisation of the Company in preparation for the Offer as described in paragraph 1.11 of Part 14 “Additional Information”

“RoSPA” . . . . the Royal Society for the Prevention of Accidents

“Rule 144A” . . . . Rule 144A under the US Securities Act

“SDRT” . . . . stamp duty reserve tax

“Selling Shareholder” . . . . Henderson Infrastructure Holdco (Jersey) Limited

“Senior Management” . . . . those persons named in paragraph 2 of Part 7 “Directors, Senior Management and Corporate Governance”

“Shareholders” . . . . the holders of Shares in the capital of the Company

“Shares” . . . . the ordinary shares of the Company, having the rights set out in the Articles

“SPV” . . . . a special purpose vehicle

“Stabilising Manager” . . . . Barclays Capital Securities Limited

“Tax Code” . . . . the US Internal Revenue Code of 1986, as amended

“Tax Separation Deed” . . . . means the tax separation deed between the Company, HIHL, HPC Nominees Limited and the Selling Shareholder dated 29 January 2015, as more fully described in paragraph 10.4 “Tax Separation Deed” of Part 14 “Additional Information”

“UK” . . . . the United Kingdom of Great Britain and Northern Ireland

“Underwriters” . . . . Barclays Bank PLC, HSBC Bank plc and RBC Europe Limited (trading as RBC Capital Markets)

“Underwriting Agreement” . . . . the underwriting agreement entered into between the Company, the Directors, the Selling Shareholder and the Banks described in paragraph 7.1 of Part 14 “Additional Information—Underwriting arrangements”

“United States” or “US” . . . . the United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia

“US Exchange Act” . . . . United States Securities Exchange Act of 1934, as amended

“US GAAP” . . . . accounting principles generally accepted in the United States

“US GAAS” auditing standards generally accepted in the United States

“US Investment Company Act” United States Investment Company Act of 1940, as amended

“US Securities Act” United States Securities Act of 1933, as amended

“Win Rate” the value of John Laing’s potential PPP investment commitments in respect of which John Laing or a Consortium is successfully appointed as preferred bidder in that period (i.e. a win), as a percentage of the total value of John Laing’s potential PPP investment commitments in the same period in respect of which the Group or a Consortium has been shortlisted for projects and preferred bidder status has been subsequently reached for such shortlisted projects, either by the Group or a Consortium or a third party (i.e. all won or lost bids, rather than the investment pipeline as a whole)

APPENDIX A
FORM OF US INVESTOR LETTER

To:

John Laing Group plc
1 Kingsway
London WC2B 6AN
United Kingdom

(the "Company")

Barclays Bank PLC
5 The North Colonnade
London E14 4BB
United Kingdom

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

RBC Europe Limited
Riverbank House
2 Swan Lane
London EC4R 3BF
United Kingdom

(the "Underwriters")

Ladies and Gentlemen:

This letter (a "US Investment Letter) relates to the (a) offering of Shares (the "Shares") of John Laing Group plc (the "Company") acquired from the Underwriters (or their affiliates); or (b) subsequent transfer of such Shares. In any case, this letter is to be delivered on behalf of the person acquiring beneficial ownership of the Shares by the investor named below or the accounts listed on the attachment hereto (each, an "Investor"). Unless otherwise stated, or the content otherwise requires, capitalized terms in this letter shall have the same meaning as is given to them in the prospectus relating to the offering of the Shares described therein published by the Company on 29 January 2015 (the "Prospectus").

The Investor agrees, acknowledges, represents and warrants, on its own behalf or on behalf of each account for which it is acting that:

1. the Investor has received a copy of the Prospectus and understands and agrees that the Prospectus speaks only as of its date and that the information contained therein may not be correct or complete as of any time subsequent to that date;

2. the Investor is a "Qualified Institutional Buyer" ("Qualified Institutional Buyer") as defined in Rule 144A ("Rule 144A") under the US Securities Act of 1933, as amended (the "Securities Act"), and a "Qualified Purchaser" ("Qualified Purchaser") as defined in Section 2(a)(51) and related rules of the US Investment Company Act of 1940, as amended (the "Investment Company Act");

3. the Investor is not a broker-dealer which owns and invests on a discretionary basis less than US$25 million in securities of unaffiliated issuers;

4. the Investor is not subscribing to, or purchasing, the Shares with a view to, or for offer or sale in connection with, any distribution thereof (within the meaning of the Securities Act) that would be in violation of the securities laws of the United States or any state thereof;

5. the party signing this US Investment Letter was not formed for the purpose of investing in the Company and is acquiring the Shares for its own account or for the account of one or more Investors (each of which is a Qualified Institutional Buyer and a Qualified Purchaser) on whose behalf the party signing this US Investment Letter is authorized to make the acknowledgments, representations and warranties, and enter into the agreements, contained in this US Investment Letter;

6. the Investor is not a participant-director employee plan, such as a plan described in subsection (a)(1)(i)(D), (E) or (F) of Rule 144A;

7. no portion of the assets used by the Investor to purchase, and no portion of the assets used by the Investor to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an "employee benefit plan" that is subject to Title I of the US Employee Retirement Income Security Act of 1974, as amended ("ERISA"); (ii) a plan, individual retirement account or other arrangement that is subject to section 4975 of the US Internal Revenue Code of 1986, as amended (the "Tax Code"); (iii) entities whose underlying assets are considered to include "plan assets" of any plan, account or arrangement described in preceding clause (i) or (ii); or (iv) any governmental plan, church plan, non-US Plan or other investor whose purchase or holding of Shares would be subject to any state, local, non-US or other laws or regulations similar to Title I of ERISA or section 4975 of the Tax Code or that would have the effect of the regulations issued by the US Department of Labor set forth at 29 CFR section 2510.3-101, as modified by section 3(42) of ERISA (each entity described in preceding clause (i), (ii), (iii) or (iv), a "Plan Investor");

8. (i) no transfers of the Shares or any interest therein to a person using assets of a Plan Investor to purchase or hold such Shares or any interest therein will be permitted and (ii) if the ownership of Shares by an investor will or may result in the Company's assets being deemed to constitute "plan assets" under the Plan Asset Regulations, the Directors may serve a notice upon the holder of such Shares requiring the holder to transfer the Shares to an eligible transferee within 30 days, and if within 30 days, the transfer notice has not been complied with, the Company may seek, subject to applicable laws and regulations, to sell the relevant Shares on behalf of the holder by instructing a member of the LSE to sell them to an eligible transferee;

9. the Shares are being offered in a transaction not involving any public offering within the United States within the meaning of the Securities Act and that the 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;

10. the Shares (whether in physical, certificated form or in uncertificated form held in CREST) are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, the Shares are being offered and sold in a transaction not involving any public offering in the U.S. within the meaning of the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of Shares;

11. the Company has not been and will not be registered, as an investment company under the Investment Company Act pursuant to sections 7(d) and 3(c)(7) thereof and that the Company has elected to impose the transfer and selling restrictions with respect to persons in the United States and US Persons described herein so that the Company will qualify for the exemption provided under section 3(c)(7) of the Investment Company Act and will have no obligation to register as an investment company even if it were otherwise determined to be an investment company;

12. if in the future the Investor decides to offer, resell, transfer, assign, pledge or otherwise dispose of any Shares, such Shares will be offered, resold, transferred, assigned, pledged or otherwise disposed of by the Investor solely in a transaction (a "Disposition") executed in, on or through the facilities of the LSE, and neither the Investor nor any person acting on its behalf will pre-arrange such Disposition with a buyer in the United States or known to be a US person;

13. notwithstanding anything to the contrary in this letter, the Shares may not be deposited into any unrestricted depositary receipt facility in respect of the Company's securities, established or maintained by a depositary bank;

14. the Investor is knowledgeable, sophisticated and experienced in business and financial matters and it fully understands the limitations on ownership and transfer and the restrictions on sales of such Shares;

15. the Investor is able to bear the economic risk of its investment in the Shares and is currently able to afford the complete loss of such investment and the Investor is aware that there are substantial risks incidental to the purchase of the Shares, including those summarized under "Risk Factors" in the Prospectus;

16. the Investor understands and acknowledges that, to the extent permitted by applicable law and regulation, (i) the Company and its agents will not be required to accept for registration of transfer any Shares acquired by the Investor made other than in compliance with the restrictions set forth in this US Investment Letter, (ii) the Company may seek to require any US person or any person within

the United States who was not a Qualified Purchaser at the time it acquired any Shares or any beneficial interest therein (which for the avoidance of doubt does not include any investor signing this letter who has truthfully made the representations, warranties and agreements herein) to transfer the Shares or any such beneficial interest immediately in a manner consistent with the restrictions set forth in this US Investment Letter, and (iii) if the obligation to transfer is not met, the Company is irrevocably authorized, without any obligation, to transfer the Shares, as applicable, in a manner consistent with the restrictions set forth in this US Investment Letter and, if such Shares are sold, the Company shall be obliged to distribute the net proceeds to the entitled party;

17. the Investor became aware of the offering of the Shares by the Company and the Shares were offered to the Investor solely by means of the Prospectus (which was available to it solely via the Company's website) and the Investor did not become aware of, nor were the Shares offered to the Investor by any other means, including, in each case, by any form of general solicitation or general advertising, and in making the decision to purchase or subscribe to the Shares, the Investor relied solely on the information set forth in the Prospectus;

18. (i) none of the Underwriters or their affiliates have made or will make any representation or warranty as to the accuracy or completeness of the information in the Prospectus or any other information provided by the Company; (ii) the Investor has not relied and will not rely on any investigation by any Underwriter, its affiliates or any person acting on its behalf that may have been conducted with respect to the Company, or the Shares; and (iii) none of the Underwriters makes any representation as to the availability of an exemption from the Securities Act for the transfer of the Shares;

19. upon a proposed transfer of the Shares, the Investor will notify any purchaser of such Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Shares being sold;

20. neither the Investor, nor any of the Investor's affiliates, nor any person acting on the Investor's or their behalf, will make any "directed selling efforts" as defined in Regulation S under the Securities Act in the United States with respect to the Shares;

21. it understands that the Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THE SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE COMPANY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE SHARES REPRESENTED HEREBY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") OUTSIDE THE UNITED STATES TO A PERSON NOT KNOWN BY YOU TO BE A US PERSON (AS DEFINED IN REGULATION S), BY PRE-ARRANGEMENT OR OTHERWISE, OR (2) TO THE COMPANY OR A SUBSIDIARY THEREOF. EACH HOLDER, BY ITS ACCEPTANCE OF SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.

THE COMPANY AND ITS AGENTS WILL NOT BE REQUIRED TO ACCEPT FOR REGISTRATION OF TRANSFER ANY SHARES MADE OTHER THAN IN COMPLIANCE WITH THESE RESTRICTIONS. THE COMPANY MAY REQUIRE ANY US PERSON OR ANY PERSON WITHIN THE UNITED STATES WHO WAS NOT A QUALIFIED PURCHASER (AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT) AT THE TIME IT ACQUIRED ANY SHARES OR ANY BENEFICIAL INTEREST THEREIN TO TRANSFER THE SHARES OR ANY SUCH BENEFICIAL INTEREST IMMEDIATELY IN A MANNER CONSISTENT WITH THESE RESTRICTIONS, AND IF THE OBLIGATION TO TRANSFER IS NOT MET, THE COMPANY IS IRREVOCABLY AUTHORIZED, WITHOUT ANY OBLIGATION, TO TRANSFER THE SHARES, AS APPLICABLE, IN A MANNER CONSISTENT WITH THESE RESTRICTIONS AND, IF SUCH SHARES ARE SOLD, THE COMPANY SHALL BE OBLIGED TO DISTRIBUTE THE NET PROCEEDS TO THE ENTITLED PARTY;

22. each of the Underwriters, the Company and their respective affiliates are irrevocably authorized to produce this US Investment Letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby; and

23. no agency of the United States or any state thereof has made any finding or determination as to the fairness of the terms of, or any recommendation or endorsement in respect of, the Shares.

The Investor hereby consents to the actions of each of the Underwriters, and hereby waives any and all claims, actions, liabilities, damages or demands it may have against each Underwriter in connection with any alleged conflict of interest arising from the engagement of each of the Underwriters with respect to the sale by the applicable Underwriter of the Shares to the Investor.

The Investor acknowledges that each of the Underwriters, the Company and their respective affiliates and others will rely on the acknowledgments, representations and warranties contained in this US Investment Letter as a basis for exemption of the sale of the Shares under the Securities Act, the Investment Company Act, under the securities laws of all applicable states, for compliance with ERISA and for other purposes. The party signing this US Investment Letter agrees to notify promptly to the Company if any of the acknowledgments, representations or warranties set forth herein are no longer accurate.

This US Investment Letter shall be governed by and construed in accordance with the laws of the State of New York.

Where there are joint applicants, each must sign this US Investment Letter. Applications from a corporation must be signed by an authorized officer or be completed otherwise in accordance with such corporation's constitution (evidence of such authority may be required).

Very truly yours,

NAME OF PURCHASER:

By: ____

Name:
Title:
Address:
Date:

Groningen Tax Office, Netherlands – Photographer Tilleman

John laing

making infrastructure happen