



JLEN

John Laing Environmental Assets Group Limited

Half-year Report
for the six months ended 30 September 2016

About us

John Laing Environmental Assets Group Limited (“JLEN” or the “Company”) is an environmental infrastructure investment fund which aims to provide shareholders with a sustainable dividend, paid quarterly, that increases progressively in line with inflation, and to preserve the capital value of its portfolio on a real basis over the long term through the reinvestment of cash flows not required for the payment of dividends.

JLEN’s investment policy is to invest in a diversified portfolio of environmental infrastructure projects that have the benefit of long-term, predictable, wholly or partially inflation-linked cash flows supported by long-term contracts or stable regulatory frameworks.

At 30 September 2016, the portfolio includes onshore wind, PV solar, and waste and wastewater processing projects in the UK and an onshore wind project in France. Wind and solar projects are supported by the UK’s and France’s commitment to support low-carbon electricity targets and the waste and wastewater processing projects benefit from long-term contracts backed by the UK government.



Wind



Solar



Waste & wastewater
management

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At a glance

at 30 September 2016

276.4m

Ordinary shares in issue

£284.6m

Market capitalisation

103.0p

Share price

£271.6m

Net Asset Value

£320.7m

Portfolio value

98.3p

Net Asset Value per share

£15.7m

Group cash

3.07p

Dividend per share

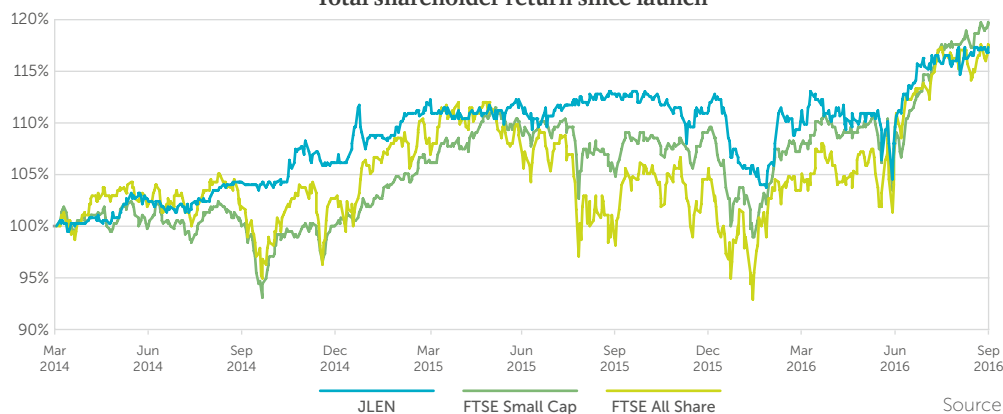
18

Number of investments

Highlights

- Dividend of 3.07p per share declared for the six months to 30 September 2016 (six months to 30 September 2015: 3.027p)
- NAV per share 98.3p, up from 96.7p per share at 31 March 2016, due primarily to increase in forecast electricity prices during the period
- Profit before tax for the period of £11.3m (six months to 30 September 2015: £6.2m)
- Total shareholder return over six months to 30 September 2016 7.0% (period since IPO: 17.5%)
- Performance of portfolio satisfactory against backdrop of below average irradiation conditions and improving electricity prices
- Successfully raised £35.2m via a placing under the then existing placing programme in May 2016
- £16.3m raised via the tap issuance programme in the period, with a further £6.6m raised post the period end
- Three acquisitions completed during the period totalling £52m, including the first non-UK investment, giving a total of 18 investments
- Strong pipeline of assets for further growth both under First Offer Agreement with John Laing and from third parties

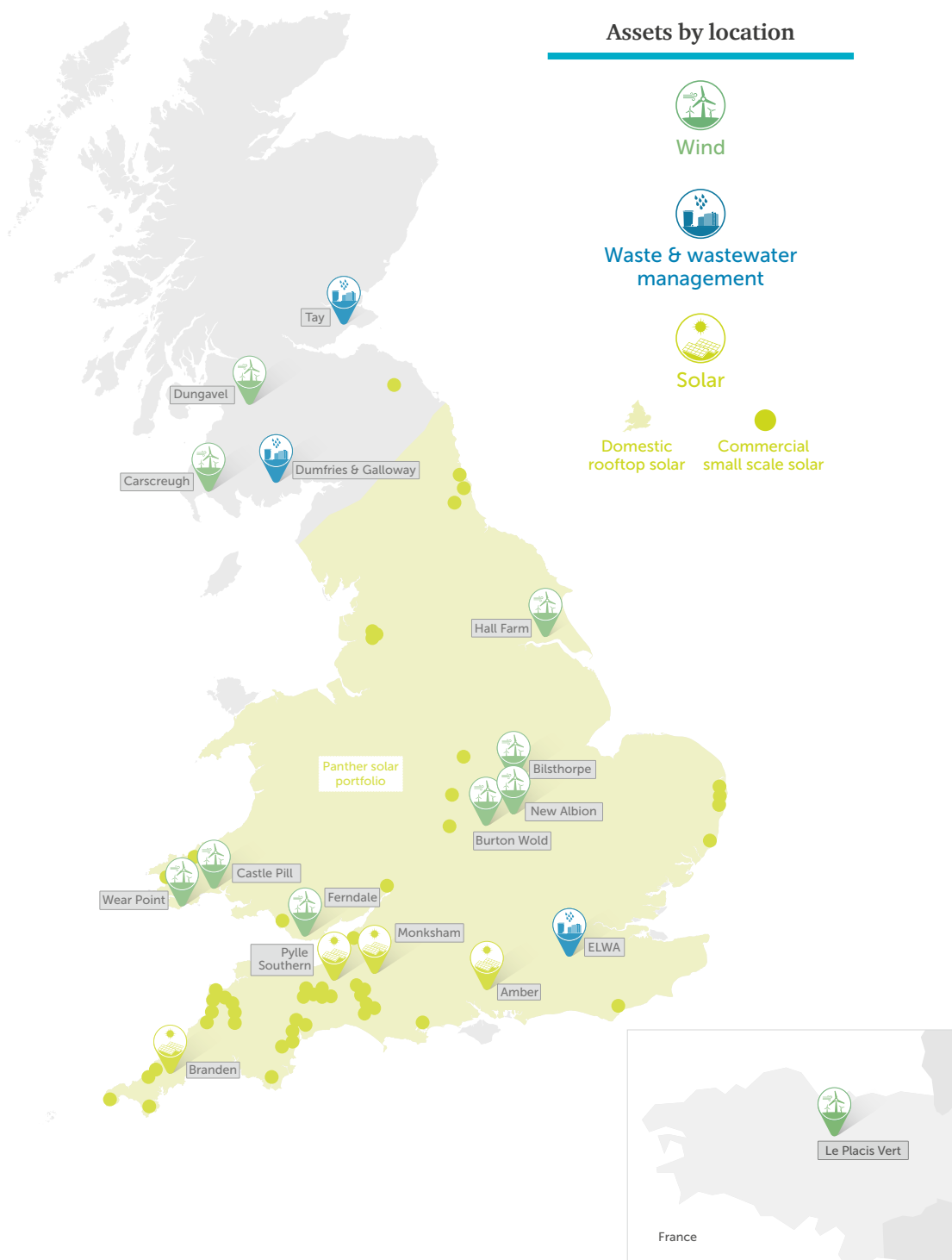
Total shareholder return since launch



Source: Morningstar

Portfolio at a glance

JLEN's portfolio comprises a fully operational and diversified mix of environmental infrastructure assets.





Wind

Bilsthorpe 100%

10.2MW 1.0 ROC wind farm located within the reclaimed Bilsthorpe Colliery in Nottinghamshire. Five MM82 Servion turbines.

Burton Wold Extension 100%

14.4MW 0.9 ROC wind farm located near Burton Latimer in Northamptonshire. Nine General Electric 1.6MW-100 turbines.

Carscreugh 100%

15.3MW 0.9 ROC wind farm located near Glenluce in Dumfries & Galloway, Scotland. 18 Gamesa G52 turbines.

Castle Pill 100%

3.2MW 1.0 ROC wind farm located near Milford Haven, Wales. Three 900kW EWT and one 500kW Nordtank turbines.

Dungavel 100%

26MW 0.9 ROC wind farm located in South Lanarkshire, South West Scotland. 13 2MW V80 Vesta turbines.

Ferndale 100%

6.4MW 1.0 ROC wind farm located in the Rhonda Valley, Wales. Eight 800kW Enercon turbines.

Hall Farm 100%

24.6MW 1.0 ROC wind farm based in Routh, near Beverley, East Riding of Yorkshire. 18 MM82 Servion turbines.

Le Placis Vert 100%

4MW FiT accredited wind farm located in the municipality of Saint-Gouéno in Brittany in northwest France. Five Enercon E-53 turbines.

New Albion 100%

14.4MW 0.9 ROC wind farm located near Kettering, Northamptonshire. Seven MM92 Servion turbines.

Wear Point 100%

8.2MW 0.9 ROC wind farm located near Milford Haven, Wales. Four Servion MM82 turbines.



Solar

Amber 100%

Comprises two separate sites located in Five Oaks, West Sussex with total generating capacity of 4.8MW and in Fryingdown, Hampshire with total generating capacity of 5MW accredited under the pre-August 2011 UK Feed-in Tariff regime.

Branden 100%

Comprises two separate sites located near St Austell in Cornwall, with total generating capacity of 8.9MW and 5.8MW and is accredited for 2 ROCs.

Monksham 87%⁽¹⁾

Located near Frome, Somerset with total generating capacity of 10.7MW and is accredited for 1.6 ROCs.

Pyllle Southern 100%

Located near Shepton Mallet, Somerset with total generating capacity of 5MW and is accredited under the UK Feed-in Tariff regime.

Panther – small scale solar portfolio 100%

The Panther portfolio comprises 6.5MW of domestic rooftop, commercial rooftop and ground mount solar installations, with a total of 1,099 systems, distributed across England, Scotland and Wales.

(1) effective economic interest (please refer to page 45 for further details).



Waste & wastewater management

Dumfries & Galloway 80%

The D&G project treats and disposes of waste in the Dumfries & Galloway region of western Scotland.

ELWA 80%

The ELWA project processes around 440,000 tonnes of household waste each year from four London boroughs.

Tay 33%

The Tay wastewater treatment project services the equivalent of around 250,000 people from the Dundee and Arbroath areas.



See our website for more information:
www.jlen.com/index.php/portfolio

Fund objectives

The Fund's key objectives and the measures against which they are assessed are summarised as follows:

Strategic objective

Predictable income growth for shareholders

Provide investors with a dividend of 6.14p per share for the year to 31 March 2017, thereafter increasing progressively in line with inflation.

Preservation of capital over the longer term

To preserve the capital value of the portfolio over the long term on a real basis through active management of the portfolio and the reinvestment of cash flows not required for the payment of dividends.

Investment, growth and diversification

To invest in operational environmental infrastructure projects in OECD countries with established technologies and operational track records and that have the benefit of long-term, predictable, wholly or partially inflation-linked cash flows supported by long-term contracts or stable regulatory frameworks.

KPI

- 3.07p dividend for the half-year
- Uplifted by 1.4% for inflation from 1 April 2016

- NAV per share 98.3p, up from 96.7p at 31 March 2016
- Increase in valuation largely due to increase in electricity price forecasts during the period
- Portfolio value £320.7m up from £264.5m at 31 March 2016

- Portfolio balanced by sector (47% wind, 34% solar, 19% environmental processing)
- 18 project investments
- Largest individual investment 14% (limit 25%)
- Revenue mix 31% electricity, 51% green benefits, 18% PFI

**Generation of total return to shareholders over the longer term.
Target an IRR of 7.5% to 8.5% (net of fees and expenses) on the issue price of the shares over the longer term.⁽¹⁾**

(1) This is a target only and not a profit forecast. There can be no assurance that this target will be met.

Investment portfolio and valuation

The JLEN portfolio comprises a diversified range of assets across different geographies, sectors, technologies and revenue types, as illustrated in the analysis below as at 30 September 2016 (by portfolio value and distributions from projects):



(1) Based on project revenues from volumes/generation during the period and assumes project cash flow distributions reflect revenue split at each project.

Chairman's statement



JLEN has continued to make good progress during the first half of the year, with a successful equity fund raise and tap issuance programme and a healthy level of acquisitions.

Richard Morse
Chairman

On behalf of the Board, I am pleased to present the half-year report of John Laing Environmental Assets Group Limited for the six months ended 30 September 2016.

Results

Encouraging progress has continued to be made in the performance and enlargement of JLEN's portfolio of environmental infrastructure assets during the period.

The Company's profit before tax for the six month period to 30 September 2016 was £11.3 million (six months to 30 September 2015: £6.2 million) and earnings per share for the period was 4.5 pence (six months to 30 September 2015: 3.3 pence).

The Net Asset Value ("NAV") per share at 30 September 2016 was 98.3 pence, up from 96.7 pence at 31 March 2016.

Cash received from the portfolio by way of distributions, which includes interest, loan repayments and dividends, was £12.4 million. Net cash inflows from the investment portfolio (after operating and finance costs) of £9.0 million cover the declared interim dividends for the half-year period of 3.07 pence per share by approximately 1.07 times.

Dividend policy

For the year to 31 March 2016, the Company met its target dividend of 6.054 pence per share by the payment of three interim dividends, one of 3.027 pence per share in December 2015 in respect of the six months ended 30 September 2015 and two quarterly payments of 1.5135 pence per share in March 2016 and June 2016.

In line with the total inflation-adjusted target for the year ending 31 March 2017 of 6.14 pence per share set out in our 2016 Annual Report, a quarterly dividend of 1.54 pence per share was paid in September 2016 for the quarter to 30 June 2016. I am pleased to announce that the Board has declared an interim dividend of 1.53 pence per share for the quarter to 30 September 2016, payable on 22 December 2016 to shareholders on the register as at 2 December 2016. The ex-dividend date will be 1 December 2016. Based on the current performance of the portfolio, the Board is targeting interim dividends for the six months ending 31 March 2017 totalling 3.07 pence per share.

Portfolio performance

During the period generation from the wind assets was in line with budget, but the solar assets achieved overall generation 12% below budget. 5% of the shortfall was due to low solar irradiation and 7% due to two asset-specific issues.

For the solar portfolio as a whole, generation was approximately 5% below budget due to lower than the long-term average irradiation levels during the period and particularly in the key summer months, despite the assets themselves operating at or above expected availability and performance levels. This is in line with other solar asset owners who have also reported lower than forecast solar resource over similar periods.

The main asset-specific issue was on the Branden project, which experienced a number of technical issues with inverters and string connectors over the summer. This led to periods of unavailability and lower than expected generation intermittently for several months. Replacement parts were sourced and installed under warranty, and whilst improvements in performance have been seen, we continue to monitor progress with the EPC contractor.

Monksham experienced a lightning strike in late August that initially rendered the whole solar park offline following damage to switchgear. The asset manager in conjunction with the operations and maintenance provider managed to bring 75% of the park back to generation for September pending delivery of replacement components, and the park continues to operate at 75% capacity at the current time while the parts are on order. Insurance is expected to cover substantially all of the costs and losses associated with the lightning strike.

The results from the renewable energy assets within the portfolio are dependent in part on the weather, which can be predicted with some degree of confidence over the long term but may vary over the short term. The Company's exposure to both solar and wind assets provides a degree of protection against variability and seasonality in resource as solar tends to be more productive at times when wind is less productive and vice versa.

Chairman's statement continued

Portfolio performance continued

The results from our renewable energy assets are also dependent in part on the level of electricity prices, which have trended noticeably lower since the IPO in March 2014 although have shown some recovery in recent months from the very low levels experienced during the winter of 2015/16.

The impact on the Company of any prolonged period of low prices continues to be mitigated by the fact that the Company has a relatively low exposure to electricity prices in its ROC and FiT operating projects compared to other portfolios held by peer funds and that short-term fixed prices have been put in place for a significant proportion of the assets to lock in improved pricing to future cash flows. The waste and wastewater processing assets are not affected by the level of electricity prices.

For the waste and wastewater processing assets, financial performance has been in line with expectations and volumes have been at or above expected levels. I am pleased to confirm that the facilities at the Frog Island facility (part of the ELWA project) which were affected by a fire in August 2014 returned to full operations in August 2016.

Acquisitions

During the period under review, the Company announced the following acquisitions:

Dungavel wind farm

Dungavel wind farm was purchased in June 2016 and is located in South Lanarkshire, South West Scotland. The wind farm comprises 13 Vestas 2MW V80 turbines with a total generating capacity of 26MW and is accredited for 0.9 ROCs.

New Albion wind farm

New Albion wind farm was purchased in July 2016 and is located near Kettering, Northamptonshire. The wind farm comprises seven Senvion MM92 turbines with a total generating capacity of 14.4MW and is accredited for 0.9 ROCs.

Both Dungavel and New Albion were purchased from John Laing under the First Offer Agreement, underlining its continuing importance to the Company's acquisition pipeline.

Le Placis Vert wind farm

Le Placis Vert wind farm was acquired in July 2016 from its developer Energiequelle GmbH ("Energiequelle"). The wind farm is located in the municipality of Saint-Gouéno in Brittany in northwest France, and comprises five Enercon E-53 turbines with a total generating capacity of 4MW. The project benefits from a 15-year FiT regime at a fixed rate adjusted annually for inflation.

These acquisitions were funded by utilising JLEN's existing cash balances and revolving credit facility and brought the total capacity of the renewable energy assets in the JLEN portfolio to 173.4 MW.

In September 2016, JLEN entered into an agreement with Energiequelle to acquire the Plouguernevel wind farm, the second project JLEN is acquiring from Energiequelle. The project is located in the municipality of Plouguernevel in Brittany, and comprises five Enercon E-53 turbines with a total generating capacity of 4MW. The project benefits from a 15-year FiT regime at a fixed rate adjusted annually for inflation. The acquisition is subject to customary consents and is expected to complete shortly.

The acquisitions from Energiequelle represent an important milestone for the Company, being its first non-UK acquisitions. Support from the French government for renewable energy remains strong and the assets acquired are located in attractive wind areas. The French acquisitions are consistent with JLEN's strategy of diversification and, in line with our investment policy, the Board will continue to look at attractive opportunities in both the UK and Europe that meet our financial and risk criteria.

Capital raising

In May 2016, JLEN successfully raised further equity under its then existing placing programme, raising gross proceeds of £35.2 million through the issue of 36 million ordinary shares at 97.75 pence per share. This enabled JLEN to reduce the balance outstanding on its revolving credit facility in order to fund the Dungavel acquisition noted above.

The Company's revolving credit facility gives it the flexibility to acquire further assets on a timely basis, reducing the performance drag associated with holding excess cash. This facility, originally secured in October 2014 at a level of £50 million and increased to £65 million in March 2016, was further increased in July 2016, on the same terms, to £75 million, reflecting the increased asset base of the Company following the recent equity fundraising and to assist in the acquisitions of the New Albion and Le Placis Vert wind farms.

On 28 July 2016, in light of the premium at which the ordinary shares of the Company were then trading, JLEN announced a tap issuance programme to satisfy excess demand in the secondary market, with issuance being subject to JLEN's short-term capital requirements. New shares issued under the tap issuance programme were issued at a premium to NAV (net of costs) and were accretive to existing shareholders. The net proceeds from the issue of new shares were used to repay the Company's revolving credit facility. At the date of this report, 22,435,643 shares have been issued under the programme at an average issue price of 102.1 pence per share, raising gross proceeds of £22.9 million.

Following the success of the tap issuance programme, the Company is now limited in the number of new shares it is able to issue under the shareholder authorities granted at the AGM in August this year and without issuing a prospectus. Given the significant pipeline of acquisition opportunities, both from John Laing and third parties, the Company wishes to ensure that it is in a position to capitalise on these opportunities as and when they come to fruition. The Company is therefore considering a placing programme under which it will be able to issue new shares to take advantage of investment opportunities as they arise, either by way of a series of subsequent placings, further tap issuance or a combination of both. The Board intends to make a further announcement in due course.

Chairman's statement continued

Valuation

The Net Asset Value at 30 September 2016 is £271.6 million, comprising £320.7 million portfolio valuation, £15.7 million of cash held by the Group, working capital of £0.2 million less the outstanding revolving credit debt balance of £65 million.

The Investment Adviser has prepared a fair market valuation of the portfolio as at 30 September 2016. This valuation is based on a discounted cash flow analysis of the future expected equity and loan note cash flows accruing to the Group from each portfolio investment. This valuation uses key assumptions which are recommended by the Investment Adviser using its experience and judgement, having taken into account available comparable market transactions and financial market data in order to arrive at a fair market value. The Directors have satisfied themselves as to the methodology used and the assumptions adopted and have approved the valuation of £320.7 million for the portfolio of 18 investments as at 30 September 2016.

Outlook

The Board continues to work closely with the Investment Adviser in assessing the risks and opportunities in the environmental infrastructure market. The Board considers that the principal risks and uncertainties for JLEN have not materially altered from those set out in the Prospectus issued in June 2015. The full Prospectus is available on JLEN's website, and a summary of the principal risks and uncertainties is included on pages 38 to 43 of the strategic report in the Annual Report for the year ended 31 March 2016.

A key strength of the Company is its strategy of diversification across a range of geographies, sectors and revenue sources within the environmental infrastructure space. This strategy has enabled the Company to continue to offer attractive, long-term returns for shareholders and the portfolio has continued to demonstrate resilience since launch in the light of seasonal weather volatility and, until more recent months, a downward shift in electricity prices.

In implementing its strategy, the Board is conscious of the volatility in UK and global financial markets, particularly in light of the UK EU referendum vote outcome and the US election. While it may take some time for the exact details of arrangements relating to the UK's exit from the EU to emerge, government policy commitments for clean energy continue in the UK and climate change remains one of the important areas of focus not only for the UK but globally. The UK has ambitious domestic targets under The Climate Change Act of 2008 and whilst by leaving the EU the UK may no longer be obliged to hit the current or any successor targets under the EU Energy Directive (unless agreed as part of any secession agreement), the renewables projects required to meet the 2020 target have already been largely built or are expected to be commissioned. In respect of longer-term commitments, the Climate Change Act's ambitious carbon reduction targets will require a substantial and continued contribution from renewables.

The Chancellor's first Autumn Statement on 23 November 2016 will outline his priorities for taxes and spending in the wake of the referendum vote, and we await with interest the widely anticipated fiscal stimulus to boost infrastructure spending.

The success of the Company's recent tap issuance programme has demonstrated that good demand exists for yielding infrastructure assets and that a tap issuance programme can be a flexible and cost effective tool in the Company's financing options.

The Board, through its Investment Adviser JLCM, actively continues to seek suitable projects to add to its portfolio both from John Laing and third parties. JLEN has the benefit of a First Offer Agreement with John Laing over a significant pipeline of environmental infrastructure projects which supports its growth plans in the next few years. And despite current market uncertainties, the Company continues to see attractive acquisition opportunities in the market and will continue with its cautious approach to growth to support its long-term targets for its shareholders.

The Board is appreciative of the continuing support of shareholders and is confident that the availability of further capital and the revolving credit facility will enable the Company to fund the strong pipeline of environmental infrastructure opportunities available as we continue to build the portfolio.



Richard Morse

Chairman

22 November 2016

Investment Adviser's report

JLEN's Net Asset Value as at 30 September 2016 increased to £271.6 million from £216.9 million at 31 March 2016, driven by share issues in the period to fund acquisitions. On a per share basis it increased to 98.3 pence from 96.7 pence.

About the Investment Adviser

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

The portfolio

At 30 September 2016, the Group's investment portfolio comprised of interests in 18 project vehicles, 17 located in the UK and one in France:

Asset	Location	Type	Ownership	Capacity (MWs)	Commercial operations date
Amber	UK (Eng)	Solar	100%	9.8	Jul 2012
Branden	UK (Eng)	Solar	100%	14.7	Jun 2013
Monksham	UK (Eng)	Solar	87% ⁽¹⁾	10.7	Mar 2014
Pylle Southern	UK (Eng)	Solar	100%	5.0	Dec 2015
Panther	UK (Eng)	Solar	100%	6.5	2011 – 2014
Bilsthorpe	UK (Eng)	Wind	100%	10.2	Mar 2013
Burton Wold Extension	UK (Eng)	Wind	100%	14.4	Sept 2014
Carscreugh	UK (Scot)	Wind	100%	15.3	Jun 2014
Castle Pill	UK (Wal)	Wind	100%	3.2	Oct 2009
Dungavel	UK (Scot)	Wind	100%	26.0	Oct 2015
Ferndale	UK (Wal)	Wind	100%	6.4	Sep 2011
Hall Farm	UK (Eng)	Wind	100%	24.6	Apr 2013
Le Placis Vert	France	Wind	100%	4.0	Jan 2016
New Albion	UK (Eng)	Wind	100%	14.4	Jan 2016
Wear Point	UK (Wal)	Wind	100%	8.2	Jun 2014
Dumfries & Galloway	UK (Scot)	Waste mgnt.	80%	n/a	2007
ELWA	UK (Eng)	Waste mgnt.	80%	n/a	2006
Tay	UK (Scot)	Wastewater	33%	n/a	Nov 2001

(1) 100% of "B" shares plus 100% of loans to the project. The "A" shareholders, investors under the Enterprise Investment Scheme, remain invested in the project. Including the loans, JLEN held an effective economic interest over 87% of the value of the project's cash flow (as calculated at acquisition).

Investment performance

The uplift in NAV has been primarily driven by the acquisition of investments and equity funds raised while also reflecting the generation of cash from the portfolio, updates for recent operational performance and changes in forecast electricity prices. The Directors have considered the current status of the electricity and gas markets as well as discount rates seen in the secondary markets for environmental infrastructure assets in arriving at the forecasts used in the valuation.

The NAV per share at 30 September 2016 was 98.3 pence, up from 96.7 pence at 31 March 2016.

JLEN has announced an interim dividend of 1.53 pence per share for the quarter ended 30 September 2016, payable on 22 December 2016, in line with the full-year target for the year ending 31 March 2017 as set out in the Annual Report for 2016.

Portfolio performance

In general, during the period under review, the performance of the portfolio has been robust and has been in line with expectations.

Generation from the wind assets of 99GWh was in line with budget and ahead of the comparative period in 2015 of 59GWh, due to the impact of new acquisitions during the last 12 months and improved wind speeds over the summer period compared to the same period last year.

Generation from the solar assets during the period at 28.9GWh was 12% below budget, due to a combination of low solar irradiation (5% of the shortfall) and two asset-specific issues (7% of the shortfall).

For the solar portfolio as a whole, generation was 5% below budget due to lower than the long-term average irradiation levels during the period and particularly in the key summer months, despite the assets themselves operating at or above expected availability and performance levels. This is in line with other solar asset owners who have also reported lower than forecast solar resource over similar periods.

The main asset-specific issue was on the Branden project, which experienced a number of technical issues with inverters and string connectors over the summer. This led to periods of unavailability and lower than expected generation intermittently for several months while replacement parts were sourced and installed under warranty. The Investment Adviser has been discussing the issues with the relevant contractual parties and the lost generation will be mitigated to some extent by contractual protections and business interruption insurance where applicable, with a programme to replace affected connectors at Branden during the lower generation winter period.

Monksham experienced a lightning strike in late August that initially rendered the whole solar park offline following damage to switchgear. The asset manager, in conjunction with the operations and maintenance provider, managed to bring 75% of the park back to generation for September pending delivery of replacement components, and the park continues to operate at 75% capacity at the current time while the parts are on order. Insurance is expected to cover substantially all of the costs and losses associated with the lightning strike.

Apart from the issues noted at Branden and Monksham, which are now in the process of being resolved, the wind farms and the solar parks have achieved high levels of technical and operational availability during the period, with no significant operational disruption being experienced.

Investment Adviser's report continued

Portfolio performance continued

The environmental processing plants have achieved full availability during the period, save for the Frog Island Mechanical Biological Treatment facility at the ELWA waste project which was affected by a fire in August 2014. We updated on the progress of reinstatement in the 2016 Annual Report and are pleased to confirm that the facilities which were affected returned to full operations in August 2016. During the period of disruption, the contract with East London Waste Authority continued to be fulfilled and operated, diversion from landfill targets met and the project continued to make distributions in line with budgets.

Waste and wastewater flows have been broadly in line with budget for the period. The environmental processing projects are relatively insensitive to volume changes due to the presence of banded payment arrangements that see little movement in profit for a marginal unit of waste.

Acquisitions

Since 31 March 2016, the Company has acquired three projects for a cash consideration of £52 million, including working capital. The acquisitions were funded by a drawdown under the Company's £75 million revolving credit facility. The assets were as follows:

Dungavel wind farm

Dungavel wind farm was purchased in June 2016 from John Laing for a cash consideration, including working capital, of £38.2 million. The wind farm is located in South Lanarkshire, South West Scotland and comprises 13 Vestas 2MW V80 turbines with a total generating capacity of 26MW and is accredited for 0.9 ROCs. The site has been operational since October 2015.

New Albion wind farm

New Albion wind farm was purchased in July 2016 from John Laing for a cash consideration, including working capital, of £11.8 million. The wind farm is located near Kettering, Northamptonshire and comprises seven Servion MM92 turbines with a total generating capacity of 14.4MW and is accredited for 0.9 ROCs. The site has been operational since January 2016.

The acquisitions were agreed in accordance with the First Offer Agreement between John Laing and JLEN.

Le Placis Vert wind farm

Le Placis Vert wind farm was acquired in July 2016 for €2.5 million from its developer Energiequelle GmbH ("Energiequelle"). The wind farm is located in the municipality of Saint-Gouéno in Brittany in northwest France and comprises five Enercon E-53 turbines with a total generating capacity of 4MW. The project benefits from a 15-year FiT regime at a fixed rate adjusted annually for inflation. The site has been fully operational since January 2016, and Energiequelle continues to provide technical and commercial management services for the project.

These acquisitions brought the total capacity of the renewable energy assets in the JLEN portfolio to 173.4 MW.

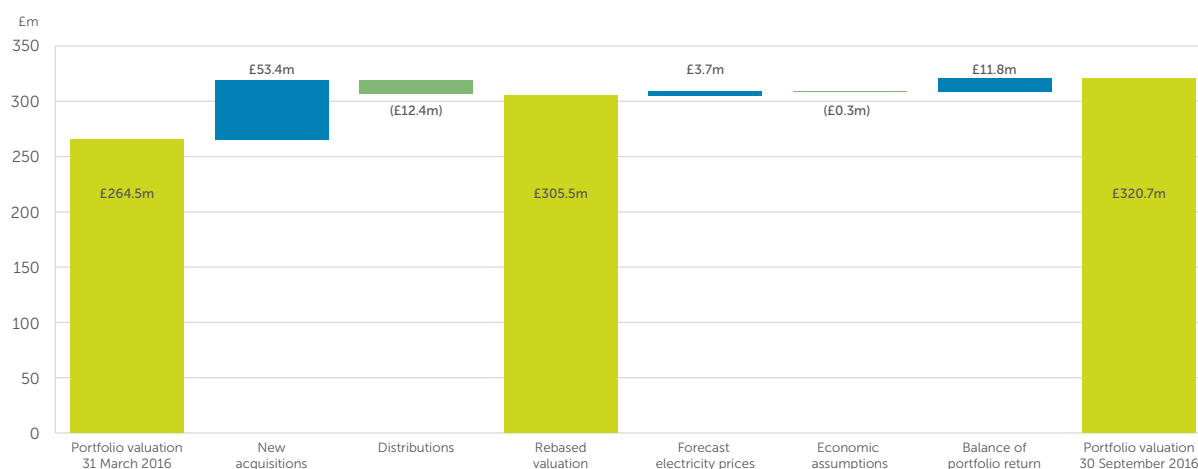
In September 2016, JLEN entered into an agreement with Energiequelle to acquire the Plouguernevel wind farm, the second project JLEN is acquiring from Energiequelle, for €2.1 million. The project is located in the municipality of Plouguernevel in Brittany and comprises five Enercon E-53 turbines with a total generating capacity of 4MW. The project benefits from a 15-year FiT regime at a fixed rate adjusted annually for inflation. The site has been fully operational since May 2016, and Energiequelle will continue to provide the technical and commercial management services for the project. The acquisition is subject to the customary consents and is expected to complete shortly.

The acquisitions from Energiequelle represent an important milestone for the Company, being its first non-UK acquisitions. Support from the French government for renewable energy remains strong and the assets acquired are located in attractive wind areas. The French acquisitions are consistent with JLEN's strategy of diversification and in line with its investment policy.

Portfolio valuation

The Investment Adviser is responsible for carrying out the fair market valuation of the Company's investments which is presented to the Directors for their approval and adoption. The valuation is carried out on a quarterly basis as at 30 June, 30 September, 31 December and 31 March each year.

The Directors' valuation of the portfolio at 30 September 2016 was £320.7 million, compared to £264.5 million at 31 March 2016. The increase of £56.2 million is the net impact of acquisitions, cash received from investments, changes in macroeconomic and electricity price assumptions, and underlying growth in the portfolio. A reconciliation of the factors contributing to the growth in the portfolio during the period is shown in the chart below:



The total movement of investments during the period ended 30 September 2016 is shown in the table below:

	Six month period ended 30 Sep 2016 (unaudited) £m
Valuation of portfolio at beginning of the period	264.5
Acquisitions in the period (including post-acquisition adjustments)	53.4
Cash distributions from portfolio	(12.4)
Rebased opening valuation of portfolio	305.5
Changes in forecast electricity prices	3.7
Changes in economic assumptions	(0.3)
Changes in discount rates	—
Balance of portfolio return	11.8
Valuation of portfolio at end of the period	320.7
Fair value of Intermediate Holding Companies	(60.1)
Investments at fair value through profit or loss	260.6

Investment Adviser's report continued

Valuation assumptions

The investments in JLEN's portfolio are valued by discounting the future cash flows forecast by the underlying asset financial models.

Each movement between the rebased valuation and the 31 March 2016 valuation is considered below:

Forecast electricity prices

The project cash flows used in the portfolio valuation at 30 September 2016 reflect contractual fixed price arrangements under PPAs where they exist and short-term market forward prices where they do not, for the next two years. Thereafter, the project cash flows assume future electricity prices in line with central forecasts from an established market consultant, adjusted by the Investment Adviser for project specific arrangements if required.

In common with generators selling into the wholesale market, following a period of declining electricity prices JLEN has experienced an improvement in both actual and forecast electricity prices during the period. Compared to the assumptions used in the valuation at 31 March 2016, on a time weighted average basis, the increase in the electricity price assumptions is approximately 3% over a 25-year period (being a simple average increase over 25 years of approximately 1.2%, including an increase in market forward prices (gross of any discounts under PPAs) over the next two years of nearly 20%, up to an average of £44/MWh for winter (31 March 2016: £37/MWh) and £38/MWh (31 March 2016: £32/MWh) for summer). JLEN has taken advantage of the improvement in short-term price forecasts during the period by fixing prices under existing PPA arrangements for a significant proportion of the renewable energy portfolio for periods of up to 24 months. At 30 September 2016, 85% of the renewable energy portfolio's electricity exposure was subject to a price fix for the winter 2016 season and 65% for the summer 2017 season, with the generation weighted average price fixes achieved, gross of any PPA discounts, being £44/MWh for winter 2016 and £39/MWh for summer 2017.

The increase in forecasts for future electricity prices compared to forecasts at 31 March 2016, has increased the valuation of the portfolio by £3.7 million.

Economic assumptions

Macroeconomic assumptions in respect of inflation, corporation tax and deposit interest rates have remained relatively constant during the period and the movement in valuation is therefore not significant. Inflation rates assumed in the valuation at 30 September 2016 are 2.1% in 2016 with 2.75% for all subsequent years for UK assets, and 1.5% in 2016 and for all subsequent years for the French assets. The long-term UK corporation tax rate assumed is 20%, stepping down to 19% in April 2017 and 17% from April 2020 onwards, reflecting the rates enacted by legislation, which is in line with market practice. The equivalent rate for the French assets is 33.3%. Deposit rates assumed in the valuation reflect a range of deposit rates in the UK from 1.00% in 2016 with a gradual increase to a long-term rate of 3.25% with effect from 2019 onwards. For the French assets the rate assumed is 0.5%. The euro/sterling exchange rate used to value the euro denominated investment in France was €1.16 to £1 (31 March 2016: n/a).

Discount rates

The discount rates used in the valuation exercise represent the Investment Adviser's and the Board's assessment of the rate of return in the market for assets with similar characteristics and risk profile. The discount rates are reviewed on a regular basis and updated, where appropriate, to reflect changes in the market and in the project risk characteristics.

During the period since 31 March 2016, there has continued to be strong demand for income-producing infrastructure assets, including environmental infrastructure projects as the market matures. The Investment Adviser, based on its experience of bidding in the secondary market for onshore wind, solar PV and waste processing projects and the discount rates achieved on transactions in those sectors, has maintained the discount rates applied to the half-year portfolio valuation, although it notes the continuing reducing trend in discount rates, particularly in the onshore wind sector, and will continue to monitor this for future valuations.

Taking the above into account, and the change in mix of the portfolio during the period due to new acquisitions, the overall Weighted Average Discount Rate ("WADR") of the portfolio was 8.4% at 30 September 2016 (8.2% at 31 March 2016).

Balance of portfolio return

This represents the balance of valuation movements in the period excluding the factors noted above. The balance of the portfolio return mostly reflects the impact on the rebased portfolio value, all other measures remaining constant, of the effect of the discount rate unwinding and also some additional valuation adjustments from updates to individual project revenue assumptions and the benefit of the refinancing of the wind assets acquired during the period into the wind asset portfolio facility. The total represents an uplift of £11.8 million.

Valuation sensitivities

The Net Asset Value of the Company is the sum of the discounted value of the future cash flows of the underlying asset financial models, the cash balances of the Company and UK HoldCo, other assets and liabilities of the Group less Group debt.

The portfolio valuation is the largest component of the Net Asset Value and the key sensitivities are considered to be the discount rate applied in the valuation of future cash flows and the principal assumptions used in respect of future revenues and costs.

A broad range of assumptions are used in our valuation models. These assumptions are based on long-term forecasts and are not affected by short-term fluctuations in inputs, be it economic or technical. The Investment Adviser exercises its judgement in assessing both the expected future cash flows from each investment based on the project's life and the financial models produced by each project company and the appropriate discount rate to apply.

The key assumptions are as follows:

Discount rate

The WADR of the portfolio at 30 September 2016 was 8.4% (8.2% at 31 March 2016). A variance of plus or minus 0.5% is considered to be a reasonable range of alternative assumptions for discount rates.

Volumes

Base case forecasts for renewable energy projects assume a "P50" level of electricity output based on reports by technical consultants. The P50 output is the estimated annual amount of electricity generation (in MWh) that has a 50% probability of being exceeded – both in any single year and over the long term – and a 50% probability of being underachieved. Hence the P50 is the expected level of generation over the long term.

The P90 (90% probability of exceedance over a 10-year period) and P10 (10% probability of exceedance over a 10-year period) sensitivities reflect the future variability of wind and solar irradiation and the uncertainty associated with the long-term data source being representative of the long-term mean.

Investment Adviser's report continued

Valuation sensitivities continued

Volumes continued

For the waste and wastewater processing projects, forecasts are based on projections of future flows and are informed by both the client authorities' own business plans and forecasts and independent studies where appropriate.

Revenues in the PPP projects are generally not very sensitive to changes in volumes due to the nature of their payment mechanisms.

Electricity prices

Electricity price assumptions are based on the following: for the first two years' cash flows for each project forward electricity prices based on market rates unless a contractual fixed price exists, in which case the model reflects the fixed price followed by the forward price for the remainder of the two-year period. For the remainder of the project life long-term central case forecasts from an established market consultant and other relevant information is used, and adjusted by the Investment Adviser for project specific arrangements. The sensitivity assumes a 10% increase or decrease in electricity prices relative to the base case for each year of the asset life after the first two-year period.

Inflation

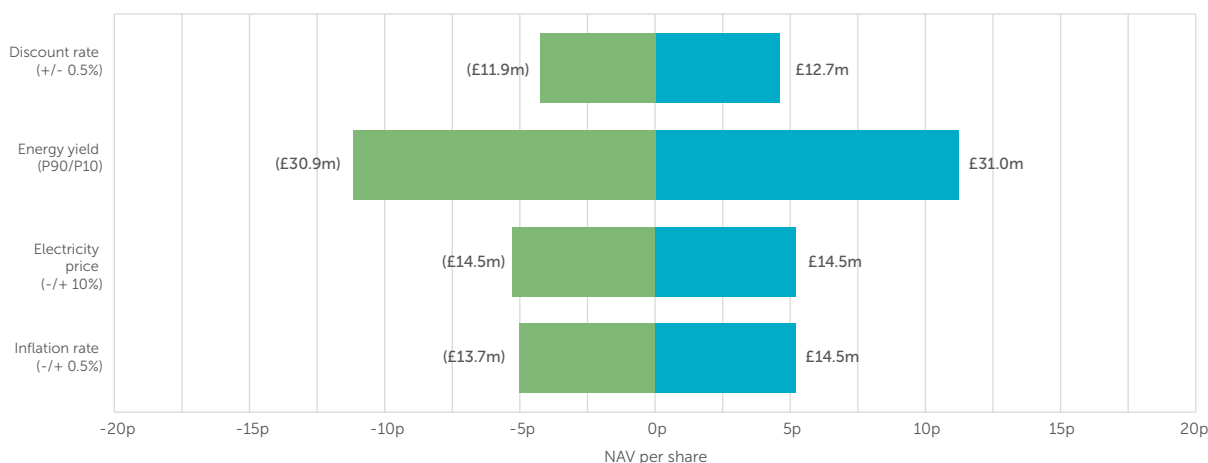
The inflation assumptions used in the valuation as at 30 September 2016 are 2.1% for 2016 and 2.75% (31 March 2016: 2.75%) for the long term for the UK assets, and 1.5% for both 2016 and the long term (31 March 2016: n/a) for the French assets. Each project in the portfolio receives a revenue stream which is either fully or partially inflation-linked.

Euro/sterling exchange rates

As the proportion of the portfolio assets with cash flows denominated in euros represented less than 1% of the portfolio value at 30 September 2016, JLCM considers the sensitivity to changes in euro/sterling exchange rates to be insignificant.

The chart below shows the impact of the key sensitivities on NAV per share, with the £ labels indicating the impact of the sensitivities on portfolio value.

Sensitivities – impact on NAV at 30 September 2016



Financing

In May 2016, JLEN successfully raised further equity under its then existing placing programme, raising gross proceeds of £35.2 million through the issue of 36 million ordinary shares at 97.75 pence per share. This enabled JLEN to reduce the balance outstanding on its revolving credit facility and to consequently free up the facility in order to fund the Dungavel acquisition noted above.

The Company's revolving credit facility with HSBC and NIBC gives it the flexibility to acquire further assets on a timely basis, reducing the performance drag associated with holding excess cash. This facility, originally secured in October 2014 at a level of £50 million and increased to £65 million in March 2016, was further increased in July 2016, on the same terms, to £75 million, reflecting the increased asset base of the Company following the recent equity fundraising and to assist in the acquisitions of the New Albion and Le Placis Vert wind farms.

On 28 July 2016, in light of the premium at which the ordinary shares of the Company were then trading, JLEN announced a tap issuance programme to satisfy excess demand in the secondary market, subject to JLEN's capital requirements. New shares issued under the tap issuance programme were issued at a premium to NAV (net of costs) and were accretive to existing shareholders. The net proceeds from the issue of new shares were used to repay the Company's revolving credit facility. At the date of this report, 22,435,643 shares have been issued under the programme at an average issue price of 102.1 pence per share, raising gross proceeds of £22.9 million.

In addition to the revolving credit facility, several of the projects have underlying project level debt which is not reflected in these financial statements. There is an additional gearing limit in respect of such debt of 85% of the aggregate gross project value (being the fair market value of such portfolio companies increased by the amount of any financing held within the projects) for PFI/PPP projects and 65% for renewable energy generation projects.

The project-level gearing at 30 September 2016 across the portfolio was 43.4% (31 March 2016: 43.6%) being 32.0% (31 March 2016: 27.1%) for the renewable energy assets and 61.2% (31 March 2016: 62.2%) for the PFI processing assets. The increase in the gearing for the renewable energy assets during the period reflects the acquisitions of Dungavel, New Albion and Le Placis Vert wind farms, all of which have project level debt. Taking into account the amount drawn down under the revolving credit facility, the overall fund gearing at 30 September 2016 was 53.7% (31 March 2016: 53.9%).

As at 30 September 2016, the Group, which comprises the Company and the Intermediate Holding Companies, had cash balances of £15.7 million (31 March 2016: £6.2 million).

Investment Adviser's report continued

Profit before tax

Profit before tax for the period was £11.3 million (30 September 2015: £6.2 million), generating earnings per share for the period of 4.5 pence (30 September 2015: 3.3 pence).

The increase over the period to 30 September 2015 reflects higher distributions as the portfolio grows plus an uplift in the fair value of the portfolio.

All amounts presented in £million (except as noted)	Six month period ended 30 Sep 2016 (unaudited) £m	Six month period ended 30 Sep 2015 (unaudited) £m
Interest received on UK HoldCo loan notes	6.6	4.7
Dividends received from UK HoldCo	3.5	2.0
Net gains on investments at fair value	3.3	0.9
Operating income	13.4	7.6
Operating cost	(2.1)	(1.4)
Profit before tax	11.3	6.2
Earnings per share	4.5p	3.3p

Ongoing charges

The "ongoing charges" ratio is an indicator of the costs incurred in the day-to-day management of the Fund. JLEN uses the Association of Investment Companies ("AIC") recommended methodology for calculating this ratio, which is an annual figure. The annualised ratio for the six months to 30 September 2016 was 1.5% (year ended 31 March 2016: 1.5%). The ongoing charges have been calculated, in accordance with AIC guidance, as annualised ongoing charges (i.e. excluding acquisition costs and other non-recurring items) divided by the average published undiluted NAV in the period. The ongoing charges percentage has been calculated on the consolidated basis and therefore takes into consideration the expenses of UK HoldCo as well as the Company's.

Net assets

Net assets increased from £216.9 million at 31 March 2016 to £271.6 million at 30 September 2016, primarily driven by equity funds raised, which in turn were used to finance acquisitions.

An analysis of the net assets at 30 September 2016 is set out in the table on page 21.

Analysis of the Group's net assets

All amounts presented in £million (except as noted)	30 Sep 2016 (unaudited)	31 Mar 2016 (audited)
Portfolio value	320.7	264.5
Intermediate Holding Companies cash	4.7	2.9
Intermediate Holding Companies revolving credit facility	(65.0)	(54.8)
Intermediate Holding Companies other assets	0.2	1.8
Fair value of the Company's investment in UK HoldCo	260.6	214.4
Company's cash	11.0	3.3
Company's other assets/(liabilities)	—	(0.8)
Net Asset Value	271.6	216.9
Number of shares	276,356,435	224,356,435
Net Asset Value per share	98.3p	96.7p

The movement in the portfolio value of environmental infrastructure assets during the period is summarised as follows:

	£m
Value at 31 March 2016 (audited)	264.5
Acquisitions	53.4
Growth in value of portfolio	15.2
Distributions received from investments	(12.4)
Portfolio value at 30 September 2016 (unaudited)	320.7

Investment Adviser's report continued

Cash flow

At 30 September 2016, the Group (Company plus Intermediate Holding Companies) had a total cash balance of £15.7 million (31 March 2016: £6.2 million), including £11.0 million (31 March 2016: £3.3 million) in the Company's balance sheet and £4.7 million (31 March 2016: £2.9 million) in the Intermediate Holding Companies, which is included in the Company's balance sheet within "investment at fair value through profit or loss".

At 30 September 2016, UK HoldCo had £65.0 million drawn down (31 March 2016: £54.8 million) under its revolving credit facility.

Cash flows of the Group for the period are summarised as follows:

	Six month period ended 30 Sep 2016 (unaudited) £m	Six month period ended 30 Sep 2015 (unaudited) £m
Cash received from environmental infrastructure investments	12.4	9.1
Administrative expenses	(0.5)	(0.3)
Directors' fees and expenses	(0.1)	(0.2)
Investment Advisory fees	(1.4)	(1.0)
Financing costs (net of interest income)	(1.4)	(0.5)
Cash flow from operations	9.0	7.1
Net proceeds from share issues	49.9	63.8
Drawdown/(repayment) under the revolving credit facility	10.2	(43.7)
Acquisition of investment assets	(53.4)	(20.5)
Reduction in acquisition price (as reported in the 2016 Annual Report)	2.0	—
Acquisition cost (including stamp duty)	(0.7)	(0.5)
Dividends paid in cash to shareholders	(7.5)	(4.8)
Cash movement in the period	9.5	1.4
Opening cash balance	6.2	8.6
Group cash balance at 30 September	15.7	10.0

During the period, the Group received cash distributions of £12.4 million from its environmental infrastructure investments, in line with distributions expected by the Group after adjusting for acquisitions during the period.

Cash flow from operations of the Company of £9.0 million (which is after debt amortisation at project level of £7.5 million during the period) covers the dividend paid in the period of £7.5 million by 1.2 times and the dividend declared in the period of £8.4 million by 1.07 times.

The Company has declared an interim dividend of 1.53 pence per share for the quarter to 30 September 2016 (estimated based on the shares in issue at the date of this half-year report at £4.3 million), which is payable on 22 December 2016.

Outlook

Despite the current political and economic uncertainty in the UK and Europe, in particular following the outcome of the UK referendum on membership of the EU in June 2016 and the recent US election result, we believe that the Company's strategy of investing in a diversified portfolio of assets in the wider environmental infrastructure sector and of providing consistent long-term income with NAV resilience remains robust.

Whilst it will take some time for the exact details of arrangements post exit from the EU to emerge, government policy commitments for clean energy continue in the UK and climate change remains one of the important areas of focus, not only for the UK but globally. The UK has ambitious domestic targets, with The Climate Change Act of 2008 establishing a target to reduce its emissions by at least 80% from 1990 levels by 2050. The Act established a system of five-yearly carbon budgets, the fifth of which was formally approved by Parliament on 30 June 2016 and aims to limit annual emissions to an average of 57% below 1990 levels by 2032.

In addition, electricity capacity margins remain especially tight in the UK, compounded now by increased uncertainty as to whether planned additional electricity interconnector capacity with Europe will be built following the UK's exit from the EU.

As an EU member, the UK is required to generate 15% of its energy from renewables by 2020 under the European Union's Renewable Energy Directive. Although by leaving the EU the UK may no longer be obliged to hit these targets or any successor targets (unless agreed as part of any secession agreement), the renewables projects required to meet the 2020 target have already been largely built or are expected to be commissioned. In respect of longer-term commitments, the Climate Change Act's ambitious carbon reduction targets will require a substantial and continued contribution from renewables.

In the 2016 Annual Report, we commented on the fact that the UK and European renewables markets in 2015 and 2016 had continued to be affected by low electricity prices, mainly driven by consistently falling oil and gas prices since the end of 2014. In recent months, and particularly since the EU referendum result, spot electricity prices have recovered and we have also seen an increase in forecast electricity prices, particularly over the short term. This has largely been driven by the movement in sterling exchange rates, with higher import prices for dollar/euro-denominated coal and gas inputs for the electricity market. As gas-fired power stations tend to set the marginal cost of electricity in the UK, natural gas price rises tend to result in higher electricity prices. Increases in electricity price forecasts in turn increase the valuation of JLEN's portfolio as currently about 31% of the project-level revenues are exposed to electricity prices. This is achieved by either "locking-in" improved market conditions by fixing electricity prices for periods up to 24 months under existing PPAs or reflecting higher short-term forecasts in our cash flows where no fix is in place in line with our valuation policy.

The timing and extent of changes to electricity prices will depend on a range of factors, including the impact of continued pressure on the UK capacity margin due to planned closures of coal-fired generation plants and the continued delay in the commissioning of new nuclear plants. In addition, the current review by Ofgem into the charging arrangements for embedded generation may result in future changes to the levels of 'embedded benefits' received. Exact details will not be known until the consultation is concluded and detailed proposals announced. The Board and the Investment Adviser will continue to monitor markets and forecasts quarterly and reflect this in the reported NAV as appropriate.

Investment Adviser's report continued

Outlook continued

The secondary market for environmental infrastructure projects remains both active and significant. The Investment Adviser continues to investigate potential markets and investments and has seen a steady flow of opportunities across all JLEN's asset classes during the period.

Whilst activity in UK solar has inevitably tailed off following the removal of ROC incentives, opportunities still remain and will be pursued, where attractive. As for wind, the early removal of green subsidy support has impacted developers but there remains a large number of existing operational projects and projects to be completed under existing transitional arrangements to provide a strong secondary market in the short to medium term.

Although smaller in number, the Investment Adviser has been pleased with the level of environmental infrastructure opportunities outside of wind and solar that it has seen. The Investment Adviser believes that the Company is an attractive counterparty for developers and early-stage investors seeking to recycle capital from environmental infrastructure projects.

The Investment Adviser continues to monitor European markets with stable regulatory frameworks as permitted under the Fund's investment policy. During the period, JLEN made its first non-UK acquisition when it acquired the Le Placis Vert wind farm in France. We have seen a number of opportunities in onshore wind, both in the UK and Europe, which we will continue to evaluate.

JLEN has the benefit of a First Offer Agreement with John Laing over a significant pipeline of environmental infrastructure projects which supports its growth plans in the next few years. The Company expects that, pursuant to the First Offer Agreement, Environmental Infrastructure projects that are in accordance with its Investment Policy with a combined investment value for the Fund of approximately £420 million (as estimated by John Laing) will become available for acquisition by the Fund within the period to 31 December 2019.

JLEN invests in environmental infrastructure assets which are long term in nature. Whilst the Investment Adviser expects to see the sort of short-term variability in performance witnessed over the last 18 months, the outlook for the portfolio remains good and, other than the changes in valuation assumptions noted above, there are no changes to our long-term assumptions underlying the cash flow projections and valuation of the portfolio. A key feature of JLEN is its diversified portfolio and the spread of risks across a variety of technologies.

The Chancellor's first Autumn Statement on 23 November 2016 will outline his priorities for taxes and spending in the wake of the referendum vote. It is anticipated that a fiscal stimulus to boost infrastructure spending will be introduced, together with clarification on the proposals to implement the OECD's Base Erosion and Profit Shifting measures which have been subject to consultation during 2016.

Based on the current outlook for the portfolio and the markets in which it operates, JLEN is well-positioned to continue to deliver the target returns of the Company, although it should be noted that delivery of the long-term IRR targets will depend, to an extent, on the continued recovery of electricity price forecasts from current levels. The Investment Adviser will also continue to seek opportunities to improve the performance of the portfolio assets ahead of target through the delivery of additional operational scale efficiencies and through prudent portfolio and financial management.

Responsibility statement

We confirm that to the best of our knowledge:

- the condensed set of unaudited financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' and in accordance with the accounting policies set out in the audited Annual Report to 31 March 2016; and
- the Chairman's statement and Investment Adviser's report meet the requirements of an interim management report and include a fair review of the information required by:
 - a) DTR 4.2.7R, being an indication of important events during the first six months of the financial year and a description of principal risks and uncertainties for the remaining six months of the year; and
 - b) DTR 4.2.8R, being the disclosure of related parties' transactions and changes therein.

This responsibility statement was approved by the Board of Directors on 22 November 2016 and is signed on its behalf by:



Richard Morse

Chairman

22 November 2016

Independent review report

to John Laing Environmental Assets Group Limited

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2016 which comprises the condensed income statement, the condensed statement of financial position, the condensed statement of changes in equity, the condensed cash flow statement and related notes 1 to 18. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements

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

Directors' responsibilities

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

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

Our responsibility

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

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP

Chartered Accountant
Guernsey, Channel Islands

22 November 2016

Condensed unaudited income statement

for the six months ended 30 September 2016

	Notes	Six months ended 30 Sep 2016 (unaudited) £'000s	Six months ended 30 Sep 2015 (unaudited) £'000s
Operating income	8	13,426	7,649
Operating expenses	4	(2,108)	(1,421)
Operating profit		11,318	6,228
Profit before tax		11,318	6,228
Tax	5	—	—
Profit for the period		11,318	6,228
Earnings per share			
From continuing operations			
Basic and diluted (pence)	7	4.5	3.3

The accompanying notes form an integral part of the condensed set of financial statements.

All results are derived from continuing operations.

There are no items of other comprehensive income in either the current or preceding period, other than the profit for the period and therefore no separate statement of comprehensive income has been presented.

Condensed unaudited statement of financial position

as at 30 September 2016

	Notes	30 Sep 2016 (unaudited) £'000s	31 Mar 2016 (audited) £'000s
Non-current assets			
Investments at fair value through profit or loss	8	260,555	214,400
Total non-current assets		260,555	214,400
Current assets			
Trade and other receivables	9	1,037	31
Cash and cash equivalents		11,015	3,312
Total current assets		12,052	3,343
Total assets		272,607	217,743
Current liabilities			
Trade and other payables	10	(1,002)	(852)
Total current liabilities		(1,002)	(852)
Total liabilities		(1,002)	(852)
Net assets		271,605	216,891
Equity			
Share premium account	12	272,001	221,122
Retained reserves	13	(396)	(4,231)
Equity attributable to owners of the Company		271,605	216,891
Net assets per share (pence per share)		98.3	96.7

The accompanying notes form an integral part of the condensed set of financial statements.

The condensed set of unaudited financial statements were approved by the Board of Directors and authorised for issue on 22 November 2016.

They were signed on its behalf by:



Richard Morse

Chairman



Christopher Legge

Director

Condensed unaudited statement of changes in equity

for the six months ended 30 September 2016

	Notes	Six months ended 30 Sep 2016 (unaudited)		
		Share premium account £'000s	Retained reserves £'000s	Total £'000s
Balance at 1 April 2016		221,122	(4,231)	216,891
Profit and total comprehensive income for the period		—	11,318	11,318
Issue of share capital	12	51,543	—	51,543
Expenses of issue of equity shares	12	(664)	—	(664)
Dividends paid	13	—	(7,483)	(7,483)
Balance at 30 September 2016		272,001	(396)	271,605

	Notes	Six months ended 30 Sep 2015 (unaudited)		
		Share premium account £'000s	Retained reserves £'000s	Total £'000s
Balance at 1 April 2015		157,352	4,557	161,909
Profit and total comprehensive income for the period		—	6,228	6,228
Issue of share capital		65,000	—	65,000
Expenses of issue of equity shares		(1,230)	—	(1,230)
Dividends paid		—	(4,800)	(4,800)
Balance at 30 September 2015		221,122	5,985	227,107

The accompanying notes form an integral part of the condensed set of financial statements.

Condensed unaudited cash flow statement

for the six months ended 30 September 2016

	Six months ended 30 Sep 2016 (unaudited) £'000s	Six months ended 30 Sep 2015 (unaudited) £'000s
Profit from operations	11,318	6,228
Adjustments for:		
Investment interest received	(6,571)	(4,688)
Dividends received	(3,500)	(2,000)
Net gain on investments at fair value through profit or loss	(3,355)	(961)
Operating cash flows before movements in working capital	(2,108)	(1,421)
Increase in receivables	(1,006)	(5)
Increase/(decrease) in payables	150	(49)
Net cash outflow from operating activities	(2,964)	(1,475)
Investing activities		
Investments in subsidiaries	(8,300)	(30,750)
Loans to subsidiaries	(34,500)	(33,000)
Investment interest received	6,571	4,688
Dividends received	3,500	2,000
Net cash used in investing activities	(32,729)	(57,062)
Financing activities		
Gross proceeds on issue of share capital	51,543	65,000
Expenses relating to issue of shares	(664)	(1,230)
Dividends paid	(7,483)	(4,800)
Net cash from financing activities	43,396	58,970
Net increase in cash and cash equivalents	7,703	433
Cash and cash equivalents at beginning of period	3,312	3,622
Cash and cash equivalents at end of period	11,015	4,055

Notes to the condensed unaudited financial statements

for the six months ended 30 September 2016

1. General information

John Laing Environmental Assets Group Limited (the "Company" or "JLEN") is a closed-ended investment company domiciled and incorporated in Guernsey, Channel Islands, under Section 20 of the Companies (Guernsey) Law. The shares are publicly traded on the London Stock Exchange under a Premium Listing. The condensed set of financial statements of the Company are for the six month period ended 30 September 2016 and have been prepared on the basis of the accounting policies set out in the Company's latest annual audited financial statements. The condensed set of financial statements comprise the Company and its investment in John Laing Environmental Assets Group (UK) Limited ("UK HoldCo"). The Company and its subsidiaries invest in environmental infrastructure projects that utilise natural or waste resources or support more environmentally-friendly approaches to economic activity.

During the six month period ended 30 September 2016, the Company successfully raised gross proceeds of £51.5 million through the issue of ordinary shares and continued to manage its investment in UK HoldCo, adding three stakes in wind projects to its portfolio of environmental infrastructure assets.

2. Significant accounting policies

(a) Basis of preparation

The condensed set of financial statements were approved and authorised for issue by the Board of Directors on 22 November 2016. The condensed set of financial statements included in this half-year report have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The accounting policies are consistent with those used in the latest audited financial statements to 31 March 2016 and should be read in conjunction with the Company's annual audited financial statements for the period ended 31 March 2016.

In 2015, the Company adopted the narrow-scope amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' which became mandatory for annual periods beginning on or after 1 January 2016.

The Company accounts for its investment in its wholly-owned direct subsidiary UK HoldCo at fair value. The Company, together with its wholly-owned direct subsidiary UK HoldCo and the intermediate holding subsidiary HWT Limited ("HWT") comprise the group (the "Group") investing in environmental infrastructure assets.

The net assets of the Intermediate Holding Companies (comprising UK HoldCo and HWT), which at 30 September 2016 principally comprise working capital balances, any revolving credit facility loan balance and investments in projects, are required to be included at fair value when calculating the carrying value of investments.

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2016

2. Significant accounting policies continued

(b) Going concern

The Directors, in their consideration of going concern have reviewed comprehensive cash flow forecasts prepared by the Company's Investment Adviser, which are based on prudent market data and believe, based on those forecasts and an assessment of the Company's subsidiary's banking facilities, that it is appropriate to prepare the financial statements of the Company on the going concern basis. In arriving at their conclusion that the Company has adequate financial resources, the Directors were mindful that the Group had unrestricted cash of £15.7 million as at 30 September 2016 and a banking facility available for investment in new or existing projects and for working capital of £75 million. £10 million of this facility was undrawn at the period end and the facility is repayable in October 2018.

As at 30 September 2016, the Company's wholly-owned subsidiary UK HoldCo had borrowed £65 million under the banking facility to finance the cost and the acquisition of environmental infrastructure projects.

All key financial covenants are forecast to continue to be complied with throughout the next 12 months.

The Directors are satisfied that the Company has sufficient resources to continue to operate for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

(c) Segmental reporting

The Board is of the opinion that the Company is engaged in a single segment of business, being investment in environmental infrastructure to generate investment returns while preserving capital. The financial information used by the Board to allocate resources and manage the Company presents the business as a single segment comprising a homogeneous portfolio.

The Company has an investment in one environmental infrastructure asset in France which represents less than 1% of the value of the portfolio.

During the period, all revenues received by the Company from its investment assets were generated in the UK.

(d) Statement of compliance

Pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 the Company is a Registered Closed-Ended Investment Scheme. As a registered scheme, the Company is subject to certain ongoing obligations to the Guernsey Financial Services Commission and is governed by the Companies (Guernsey) Law, 2008 as amended.

3. Seasonality

Neither operating income nor profit are impacted significantly by seasonality. While meteorological conditions resulting in fluctuations in the levels of wind and sunlight can affect revenues of the Company's environmental infrastructure projects, with solar projects typically more productive in summer months and wind assets in winter, due to the diversified mix of projects, these fluctuations do not materially affect the overall pattern of the Company's operating income or profit.

4. Operating expenses

	Six months ended 30 Sep 2016 (unaudited) £'000s	Six months ended 30 Sep 2015 (unaudited) £'000s
Investment advisory fees	1,605	1,083
Directors' fees and expenses	134	102
Administration fee	47	34
Other expenses	322	202
	2,108	1,421

5. Tax

Income tax expense

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

The income from its investments is therefore not subject to any further tax in Guernsey, although the investments provide for and pay taxation at the appropriate rates in the jurisdictions in which they operate. The underlying tax within the subsidiaries and environmental infrastructure assets, which are held as investments at fair value through profit or loss, are included in the estimate of the fair value of these investments.

6. Dividends

	Six months ended 30 Sep 2016 (unaudited) £'000s	Six months ended 30 Sep 2015 (unaudited) £'000s
Amounts recognised as distributions to equity holders during the period:		
Dividend for the quarter ended 31 March 2016 of 1.5135 pence per share (for the six-month period ended 31 March 2015: 3.0 pence per share)	3,396	4,800
Interim dividend for the quarter ended 30 June 2016 of 1.54 pence per share	4,087	—
	7,483	4,800

A dividend for the quarter to 30 September 2016 of 1.53 pence per share was approved by the Board on 22 November 2016 and is payable on 22 December 2016. The dividend has not been included as a liability at 30 September 2016.

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2016

7. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	Six months ended 30 Sep 2016 (unaudited) £'000s	Six months ended 30 Sep 2015 (unaudited) £'000s
Earnings		
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to owners of the Company	11,318	6,228
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	251,896,599	186,727,263

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

	Six months ended 30 Sep 2016	Six months ended 30 Sep 2015
Basic and diluted earnings per share (pence)	4.5	3.3

8. Investments at fair value through profit or loss

As set out in note 1, the Company accounts for its interest in its wholly-owned subsidiary UK HoldCo as an investment at fair value through profit or loss. UK HoldCo, in turn, owns investments in Intermediate Holding Companies and environmental infrastructure projects.

The table below shows the movement in the Company's investment in UK HoldCo as recorded in the Company's statement of financial position:

	30 Sep 2016 (unaudited) £'000s	31 Mar 2016 (audited) £'000s
Fair value of environmental infrastructure investments	320,695	264,486
Fair value of Intermediate Holding Companies	(60,140)	(50,086)
Fair value	260,555	214,400

Reconciliation of movement in fair value of portfolio of assets

The table below shows the movement in the fair value of the Company's portfolio of environmental infrastructure assets. These assets are held through other Intermediate Holding Companies. The table below also presents a reconciliation of the fair value of the asset portfolio to the Company's condensed unaudited statement of financial position as at 30 September 2016, by incorporating the fair value of these Intermediate Holding Companies.

	30 Sep 2016 (unaudited)			31 Mar 2016 (audited)		
	Portfolio value £'000s	Cash, working capital and debt in Intermediate Holding Companies £'000s	Total £'000s	Portfolio value £'000s	Cash, working capital and debt in Intermediate Holding Companies £'000s	Total £'000s
Opening balance	264,486	(50,086)	214,400	197,717	(38,674)	159,043
Acquisitions						
Portfolio of assets acquired	52,011	—	52,011	75,506	—	75,506
Post-acquisition price adjustments	1,358	—	1,358	(1,835)	—	(1,835)
	53,369	—	53,369	73,671	—	73,671
Growth in portfolio	15,204	—	15,204 ⁽¹⁾	11,692	—	11,692 ⁽¹⁾
Cash yields from portfolio to Intermediate Holding Companies	(12,364)	12,364	—	(18,594)	18,594	—
Yields from Intermediate Holding Companies						
Interest on loan notes ⁽¹⁾	—	(6,571)	(6,571) ⁽¹⁾	—	(10,210)	(10,210) ⁽¹⁾
Dividends from UK HoldCo to the Company ⁽¹⁾	—	(3,500)	(3,500) ⁽¹⁾	—	(7,500)	(7,500) ⁽¹⁾
	—	(10,071)	(10,071)	—	(17,710)	(17,710)
Other movements						
Investment in working capital in UK HoldCo	—	(389)	(389)	—	(766)	(766)
Increase in debtor related to the agreed settlement on updated energy yield assessments under Sale and Purchase Agreements	—	—	—	—	1,985	1,985
Administrative expenses borne by Intermediate Holding Companies ⁽¹⁾	—	(1,778)	(1,778) ⁽¹⁾	—	(2,375)	(2,375) ⁽¹⁾
Drawdown of UK HoldCo credit facility borrowings	—	(10,180)	(10,180)	—	(11,140)	(11,140)
Fair value of the Company's investment in UK HoldCo	320,695	(60,140)	260,555	264,486	(50,086)	214,400

(1) The net gain on investments at fair value through profit or loss for the period ended 30 September 2016 is £3,355,000 (31 March 2016: loss of £8,393,000, 30 September 2015: gain of £961,000). This, together with interest received on loan notes of £6,571,000 (31 March 2016: £10,210,000) and dividend income of £3,500,000 (31 March 2016: £7,500,000) comprises operating income in the condensed income statement.

The balances in the above table represent the total net movement in the fair value of the Company's investment.

The "cash, working capital and debt in Intermediate Holding Companies" balances reflect investment in, distributions from or movement in working capital and are not value generating.

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2016

8. Investments at fair value through profit or loss continued

Fair value of portfolio of assets

The Investment Adviser has carried out fair market valuations of the investments as at 30 September 2016.

The Directors have satisfied themselves as to the methodology used and the discount rates applied for the valuation. Investments are all investments in environmental infrastructure projects and are valued using a discounted cash flow methodology, being the most relevant and most commonly used method in the market to value similar assets to the Company's. The Company's holding of its investment in UK HoldCo represents its interest in both the equity and debt instruments. The equity and debt instruments are valued as a whole using a blended discount rate and the value attributed to the equity instruments represents the fair value of future dividends and equity redemptions in addition to any value enhancements arising from the timing of loan principal and interest receipts from the debt instruments, while the value attributed to the debt instruments represents the principal outstanding and interest due on the loan at the valuation date.

The valuation techniques and methodologies have been applied consistently with the valuation performed since the launch of the Fund in March 2014.

Discount rates applied to the portfolio of assets range from 6.5% to 9.5% (weighted average 8.4%) (at 31 March 2016: from 6.5% to 9.6% – weighted average 8.2%).

The following economic assumptions were used in the discounted cash flow valuations:

	30 Sep 2016	31 Mar 2016
UK – inflation rates	2.1% for 2016 and 2.75% from 2017	2.2% for 2016 and 2.75% from 2017
France – inflation rates	1.5%	N/A
UK – deposit interest rates	1% for 2016, gradually rising to 3.25% from 2019	1% for 2016, gradually rising to 3.25% from 2019
France – deposit rates	0.5%	N/A
Euro/sterling exchange rate	€1.16/£1	N/A

The long-term UK corporation tax rate assumed in the 30 September 2016 portfolio valuation is 20% stepping down to 19% in April 2017 and 17% from April 2020 (31 March 2016: 20%), in line with market practice. The equivalent rate for the French assets is 33.3%.

Fair value of Intermediate Holding Companies

The assets in the Intermediate Holding Companies substantially comprise working capital, cash balances and the outstanding credit facility debt, therefore the Directors consider the fair value to be equal to the book values.

Details of investments made during the period

On 30 June 2016, the Group acquired the Dungavel wind farm project from John Laing Group plc for a cash consideration, including working capital, of £38.2 million.

On 4 July 2016, the Group completed the acquisition of Le Placis Vert wind farm for a total consideration of €2.5 million.

On 22 July 2016, the Group acquired New Albion wind farm from John Laing Group plc for a cash consideration, including working capital, of £11.8 million.

Subsequent to the investment in Pylle Southern solar park in March 2016, £1.3 million of the consideration was paid in the period on 24 May 2016 under the terms of the sale and purchase agreement.

9. Trade and other receivables

	30 Sep 2016 (unaudited) £'000s	31 Mar 2016 (audited) £'000s
Prepayments	25	31
Other debtors	1,012	—
Closing balance	1,037	31

Other debtors relate to proceeds held by the Company's brokers for shares issued on 30 September 2016 as part of the tap issuance programme.

10. Trade and other payables

	30 Sep 2016 (unaudited) £'000s	31 Mar 2016 (audited) £'000s
Accruals	1,002	852
Closing balance	1,002	852

11. Loans and borrowings

The Company had no outstanding loans or borrowings at 30 September 2016 (31 March 2016: none), as shown in the Company's condensed statement of financial position.

The Company's immediate subsidiary, UK HoldCo as Borrower and the Company, as Guarantor, benefit from a three-year revolving credit facility with HSBC and NIBC. The facility, originally secured on 9 October 2014 was increased to £65 million in March 2016 and was further increased in July 2016 to £75 million and extended to 9 October 2018. The facility is used to finance the acquisitions of environmental infrastructure projects and to cover working capital requirements. As at 30 September 2016, UK HoldCo had an outstanding balance of £65.0 million under the facility (31 March 2016: £54.8 million). In October 2016, UK HoldCo repaid £12 million under the facility and at the date of this report had an outstanding balance of £53 million. The loan bears interest of LIBOR + 2.5% and will be repaid by proceeds from future capital raises.

As at 30 September 2016, the Company held loan notes of £157.5 million which were issued by UK HoldCo (31 March 2016: outstanding amount of £123.0 million). Following the period end, on 21 October 2016, the Company subscribed for additional loan notes of £14.4 million which were also issued by UK HoldCo. At the date of this report, the Company held total loan notes amounting to £171.9 million.

There were no other outstanding loans and borrowings in either the Company, UK HoldCo or HWT at 30 September 2016.

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2016

12. Share premium account

	30 Sep 2016 (unaudited) £'000s	31 Mar 2016 (audited) £'000s
Opening balance	221,122	157,352
Shares issued in the period	51,543	65,000
Expenses of issue of equity shares	(664)	(1,230)
Closing balance	272,001	221,122

On 27 May 2016, the Company raised gross proceeds of £35.2 million by way of a placing of 36 million new ordinary shares to institutional investors pursuant to the then existing placing programme dated 4 June 2015.

In the period ended 30 September 2016, and pursuant to the Company's tap issuance programme announced on 28 July 2016, the Company had issued a total of 16 million new ordinary shares of no par value at an average price of 102.2 pence per share, raising gross proceeds of £16.3 million.

Following these issues, at 30 September 2016, the Company's share capital is comprised of 276,356,435 ordinary shares of no par value.

All new shares issued rank pari passu and include the right to receive all future dividends and distributions declared, made or paid.

Further ordinary shares were issued by the Company after the reporting period. More detail can be found in note 18.

13. Retained reserves

	30 Sep 2016 (unaudited) £'000s	31 Mar 2016 (audited) £'000s
Opening balance	(4,231)	4,557
Profit for the period/year	11,318	6,199
Dividends paid	(7,483)	(14,987)
Closing balance	(396)	(4,231)

14. Transactions with Investment Adviser and other related parties

Transactions between the Company and its subsidiaries, which are related parties of the Company, are transacted at arm's length and are disclosed within note 8. Details of transactions between the Company and other related parties are disclosed below. This note also details the terms of the Company's engagement with John Laing Capital Management Limited as Investment Adviser, together with the details of investment acquisitions from John Laing Group plc, of which JLCM is a wholly-owned subsidiary.

Transaction with the Investment Adviser

JLCM is the Company's Investment Adviser. JLCM's appointment as Investment Adviser is governed by an Investment Advisory Agreement which may be terminated after an initial four-year term, starting 31 March 2014, by either party giving one year's written notice.

JLCM is entitled to a base fee equal to a) 1.0% per annum of the Adjusted Portfolio Value⁽¹⁾ of the Fund⁽²⁾ up to and including £500 million; and b) 0.8% per annum of the Adjusted Portfolio Value of the Fund in excess of £500 million.

The total Investment Adviser fee charged to the income statement for the six months ended 30 September 2016 was £1,605,000 (30 September 2015: £1,083,000) of which £824,000 remained payable as at 30 September 2016 (31 March 2016: £659,000).

(1) Adjusted Portfolio Value is defined in the Investment Advisory Agreement as:

- a. the fair value of the investment portfolio; plus
- b. any cash owned by or held to the order of the Fund; plus
- c. the aggregate amount of payments made to shareholders by way of dividend in the quarterly period ending on the relevant valuation day, less
 - i. any other liabilities of the Fund (excluding borrowings); and
 - ii. any uninvested cash.

(2) Fund means the Company and John Laing Environmental Assets Group (UK) Limited together with their wholly-owned subsidiaries or subsidiary undertakings (including companies or other entities wholly owned by them together, individually or in any combination, as appropriate) but excluding project entities.

Other transactions with related parties

During the period, the Company's wholly-owned subsidiary UK HoldCo completed the acquisition of the Dungavel wind farm and the New Albion wind farm projects from John Laing Group plc, as detailed in note 8.

The Directors of the Company, who are considered to be key management, received fees for their services for the six month period of £132,500 (30 September 2015: £100,000) of which £nil remained payable as at 30 September 2016 (31 March 2016: £nil). The Directors were paid expenses of £1,348 in the six month period (30 September 2015: £2,267) of which £nil remained payable as at 30 September 2016 (31 March 2016: £nil).

The Directors held the following shares:

	Total number of shares held at 30 Sep 2016	Total number of shares held at 31 Mar 2016
Richard Morse	83,042	83,042
Richard Ramsay	53,813	53,813
Christopher Legge	29,896	29,896
Denise Mileham	28,160	28,160
Peter Neville	29,896	29,896

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

The Directors were paid dividends in the period of £6,865 (30 September 2015: £4,950).

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2016

15. Financial instruments

Financial instruments by category

The Company held the following financial instruments at fair value at 30 September 2016. There have been no transfers of financial instruments between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

30 Sep 2016 (unaudited)					
	Cash and bank balances £'000s	Loans and receivables £'000s	Financial assets at fair value through profit or loss £'000s	Financial liabilities at amortised cost £'000s	Total £'000s
Levels	1	1	3	1	
Non-current assets					
Investments at fair value through profit or loss (Level 3)	—	—	260,555	—	260,555
Current assets					
Trade and other receivables	—	1,037	—	—	1,037
Cash and cash equivalents	11,015	—	—	—	11,015
Total financial assets	11,015	1,037	260,555	—	272,607
Current liabilities					
Trade and other payables	—	—	—	(1,002)	(1,002)
Total financial liabilities	—	—	—	(1,002)	(1,002)
Net financial instruments	11,015	1,037	260,555	(1,002)	271,605

31 Mar 2016 (audited)					
	Cash and bank balances £'000s	Loans and receivables £'000s	Financial assets at fair value through profit or loss £'000s	Financial liabilities at amortised cost £'000s	Total £'000s
Levels	1	1	3	1	
Non-current assets					
Investments at fair value through profit or loss (Level 3)	—	—	214,400	—	214,400
Current assets					
Trade and other receivables	—	31	—	—	31
Cash and cash equivalents	3,312	—	—	—	3,312
Total financial assets	3,312	31	214,400	—	217,743
Current liabilities					
Trade and other payables	—	—	—	(852)	(852)
Total financial liabilities	—	—	—	(852)	(852)
Net financial instruments	3,312	31	214,400	(852)	216,891

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

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

There were no transfers between Level 1 and 2, Level 1 and 3, or Level 2 and 3 during the period.

In the table on page 40, financial instruments are held at carrying value as an approximation to fair value unless stated otherwise.

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

An analysis of the movement between opening to closing balances of the investments at fair value through profit or loss is given in note 8.

The fair value of the investments at fair value through profit or loss includes the use of Level 3 inputs. Please refer to note 8 for details on the valuation methodology.

Sensitivity analysis of the portfolio

The discount rate is considered the most significant unobservable input through which an increase or decrease would have a material impact on the fair value of the investments at fair value through profit or loss.

The sensitivity of the portfolio to movements in the discount rate is as follows:

30 Sep 2016 (unaudited)

Discount rate	Minus 0.5%	Base 8.4%	Plus 0.5%
Change in portfolio valuation	Increases £12.7m	£320.7m	Decreases £11.9m
Change in NAV per share	Increases 4.6p	98.3p	Decreases 4.3p

31 Mar 2016 (audited)

Discount rate	Minus 0.5%	Base 8.2%	Plus 0.5%
Change in portfolio valuation	Increases £10.9m	£264.5m	Decreases £10.3m
Change in NAV per share	Increases 4.9p	96.7p	Decreases 4.6p

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2016

15. Financial instruments continued

Sensitivity analysis of the portfolio continued

The sensitivity of the portfolio to movements in long-term inflation rates is as follows:

30 Sep 2016 (unaudited)

Inflation rates	Minus 0.5%	Base 2.75%	Plus 0.5%
Change in portfolio valuation	Decreases £13.7m	£320.7m	Increases £14.5m
Change in NAV per share	Decreases 5.0p	98.3p	Increases 5.2p

31 Mar 2016 (audited)

Inflation rates	Minus 0.5%	Base 2.75%	Plus 0.5%
Change in portfolio valuation	Decreases £10.9m	£264.5m	Increases £11.5m
Change in NAV per share	Decreases 4.9p	96.7p	Increases 5.1p

Wind and solar assets are subject to electricity price and electricity generation risks. The sensitivities of the investments to movements in the level of electricity output and electricity price are as follows:

The fair value of the investments is based on a "P50" level of electricity output for the renewable energy assets, being the expected level of generation over the long term. The sensitivity of the portfolio to movements in energy yields based on an assumed "P90" level of electricity output (i.e. a level of generation that is below the "P50", with a 90% probability of being exceeded) and an assumed "P10" level of electricity output (i.e. a level of generation that is above the "P50", with a 10% probability of being achieved) is as follows:

30 Sep 2016 (unaudited)

Energy yield	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £30.9m	£320.7m	Increases £31.0m
Change in NAV per share	Decreases 11.2p	98.3p	Increases 11.2p

31 Mar 2016 (audited)

Energy yield	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £21.6m	£264.5m	Increases £21.7m
Change in NAV per share	Decreases 9.6p	96.7p	Increases 9.7p

The sensitivity of the portfolio to movements in electricity prices is as follows:

30 Sep 2016 (unaudited)

Electricity prices	Minus 10%	Base	Plus 10%
Change in portfolio valuation	Decreases £14.5m	£320.7m	Increases £14.5m
Change in NAV per share	Decreases 5.2p	98.3p	Increases 5.2p

31 Mar 2016 (audited)

Electricity prices	Minus 10%	Base	Plus 10%
Change in portfolio valuation	Decreases £9.6m	£264.5m	Increases £9.5m
Change in NAV per share	Decreases 4.3p	96.7p	Increases 4.2p

Waste and wastewater assets do not have significant volume and price risks.

Euro/sterling exchange rates sensitivity:

As the proportion of the portfolio assets with cash flows denominated in euros represented less than 1% of the portfolio value at 30 September 2016, the Directors consider the sensitivity to changes in the euro/sterling exchange rate to be insignificant.

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

16. Guarantees and other commitments

As at 30 September 2016, the Company has provided a guarantee under the Company's wholly-owned subsidiary UK HoldCo's £75 million revolving credit facility due to expire on 9 October 2018.

In September 2016 the Company entered into an agreement to acquire the Plouguernevel wind farm for €2.1 million. Completion of the acquisition is subject to customary consents.

The Company had no other commitments or guarantees.

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2016

17. Subsidiaries

The following subsidiaries have not been consolidated in these financial statements as a result of applying the requirements of "Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 27)":

Name	Category	Place of business	Ownership interest	Voting rights
John Laing Environmental Assets Group (UK) Limited	Intermediate Holding Company	UK	100%	100%
HWT Limited	Intermediate Holding Company	UK	100%	100%
JLEAG Solar 1 Limited	Project holding company	UK	100%	100%
Croft Solar PV Limited	Operating subsidiary	UK	100%	100%
Cross Solar PV Limited	Operating subsidiary	UK	100%	100%
Domestic Solar Limited	Operating subsidiary	UK	100%	100%
Ecossol Limited	Operating subsidiary	UK	100%	100%
Hill Solar PV Limited	Operating subsidiary	UK	100%	100%
Share Solar PV Limited	Operating subsidiary	UK	100%	100%
Tor Solar PV limited	Operating subsidiary	UK	100%	100%
Residential PV trading Limited	Operating subsidiary	UK	100%	100%
South-Western Farms Solar Limited	Operating subsidiary	UK	100%	100%
Angel Solar Limited	Operating subsidiary	UK	100%	100%
Easton PV Limited	Project holding company	UK	100%	100%
Pylle Solar Limited	Project holding company	UK	100%	100%
Second Energy Limited	Operating subsidiary	UK	100%	100%
ELWA Holdings Limited	Project holding company	UK	80%	80%
ELWA Limited ⁽¹⁾	Operating subsidiary	UK	80%	81%
JLEAG Wind Holdings Limited	Project holding company	UK	100%	100%
JLEAG Wind Limited	Project holding company	UK	100%	100%
Amber Solar Parks (Holdings) Limited	Project holding company	UK	100%	100%
Amber Solar Park Limited	Operating subsidiary	UK	100%	100%
Fryingdown Solar Park Limited	Non-trading entity	UK	100%	100%
Five Oaks Solar Parks Limited	Non-trading entity	UK	100%	100%
Bilsthorpe Wind Farm Holdings Limited	Project holding company	UK	100%	100%
Bilsthorpe Wind Farm Limited	Operating subsidiary	UK	100%	100%
Ferndale Wind Limited	Project holding company	UK	100%	100%
Castle Pill Wind Limited	Project holding company	UK	100%	100%
Wind Assets LLP	Operating subsidiary	UK	100%	100%
Shanks Dumfries and Galloway Holdings Limited	Project holding company	UK	80%	80%
Shanks Dumfries and Galloway Limited	Operating subsidiary	UK	80%	80%
JL Hall Farm Holdings Limited	Project holding company	UK	100%	100%
Hall Farm Wind Farm Limited	Operating subsidiary	UK	100%	100%
Branden Solar Parks (Holdings) Limited	Project holding company	UK	100%	100%
Branden Solar Parks Limited	Project holding company	UK	100%	100%
KS SPV 3 Limited	Operating subsidiary	UK	100%	100%
KS SPV 4 Limited	Operating subsidiary	UK	100%	100%

Name	Category	Place of business	Ownership interest	Voting rights
BL Wind (Holdings) Limited	Project holding company	UK	100%	100%
BL Wind Limited	Operating subsidiary	UK	100%	100%
Burton Wold Extension Limited	Operating subsidiary	UK	100%	100%
Carscreugh (Holdings) Limited	Project holding company	UK	100%	100%
Carscreugh Renewable Energy Park Limited	Operating subsidiary	UK	100%	100%
Wear Point Wind HoldCo Limited	Project holding company	UK	100%	100%
Wear Point Wind Limited	Operating subsidiary	UK	100%	100%
New Albion Wind (Holdings) Limited	Project holding company	UK	100%	100%
New Albion Wind Limited	Operating subsidiary	UK	100%	100%
Dreacmhohr Wind Farm (Holdings) Limited	Project holding company	UK	100%	100%
Dreacmhohr Wind Farm Limited	Operating subsidiary	UK	100%	100%
France Wind GP Germany GmbH	Project holding company	DE	100%	100%
France Wind Germany GmbH & Co. KG	Project holding company	DE	100%	100%
Parc Eolien Le Placis Vert SAS	Operating subsidiary	FR	100%	100%
Monksham Power Limited	Project holding company	UK	(2)	(2)
Frome Solar Limited	Operating subsidiary	UK	(2)	(2)

(1) ELWA Holdings Limited holds 81% of the voting rights and 100% share of the economic benefits in ELWA Limited.

(2) 100% of "B" shares plus 100% of loans to the project. The "A" shareholders, investors under the Enterprise Investment Scheme, remain invested in the project. Including the loans, JLEN held an effective economic interest over 87% of the value of the project's cash flow (as calculated at acquisition).

18. Events after the reporting period

A dividend for the quarter ended 30 September 2016 of 1.53 pence per share was approved by the Board on 22 November 2016. Please refer to note 6 for further details.

Pursuant to the Company's tap issuance programme announced on 28 July 2016, the Company issued between 3 October 2016 and 7 October 2016 a further 6,435,643 ordinary shares of no par value at a price of 102 pence per share, raising gross proceeds of £6.6 million. The total number of ordinary shares in issue at the date of this report is 282,792,078.

Directors and advisers

Directors

Richard Morse (Chairman)
Christopher Legge
Denise Mileham
Peter Neville
Richard Ramsay

Administrator to the Company, Company Secretary and Registered Office

Praxis Fund Services Limited

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Channel Islands

Registrar

Capita Registrars (Guernsey) Limited

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UK Transfer Agent Capita Asset Services

The Registry
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Auditor

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Gategny Esplanade
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Joint Corporate Brokers

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Cannon Bridge House
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Barclays

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London E14 4BB
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Corporate Bankers

HSBC

PO Box 31
St Peter Port
Guernsey GY1 3AT
Channel Islands

Glossary of key terms

Amber

the Amber solar parks project

Bilsthorpe

the Bilsthorpe wind farm project

Branden

the Branden solar parks project

Burton Wold Extension

the Burton Wold Extension wind farm project

Carscreugh

the Carscreugh wind farm project

Castle Pill

the Castle Pill wind farm project

the Company or JLEN or the Fund

John Laing Environmental Assets Group Limited

Dumfries & Galloway

the Dumfries & Galloway waste treatment and processing project

Dungavel

the Dungavel wind farm project

ELWA

the East London Waste Authority waste treatment and processing project

EPC

Engineering, Procurement and Construction

EU

European Union

Ferndale

the Ferndale wind farm project

First Offer Agreement

the First Offer Agreement between the Company and John Laing

FiT

the Feed-in Tariff

gross project value

the fair market value of the investment interests held in a project as increased by the amount of any financing in the relevant project entity

Group

John Laing Environmental Assets Group Limited and its Intermediate Holding Companies UK HoldCo and HWT

GWh

gigawatt hour

Hall Farm

the Hall Farm wind farm project

HWT

HWT Limited, the company that holds the investment in the Tay project

Intermediate Holding Companies

Companies within the Group which are used as pass through vehicles to invest in underlying environmental infrastructure assets, namely UK HoldCo and HWT

Investment Adviser or JLCM

John Laing Capital Management Limited

IPO

Initial Public Offering

IRR

internal rate of return

John Laing

John Laing Group plc and its subsidiary companies

Le Placis Vert

the Le Placis Vert wind farm project

Monksham

the Monksham solar park project

MWh

megawatt hour

NAV

Net Asset Value

New Albion

the New Albion wind farm project

OECD

Organisation for Economic Co-operation and Development

Panther

the Panther small scale domestic and commercial solar portfolio of installations

portfolio

the 18 investments in which JLEN had a shareholding as at 30 September 2016

portfolio valuation

the sum of all the individual investments' net present values

Glossary of key terms continued

PPAs

Power Purchase Agreements

PPP/PFI

the Public Private Partnership procurement model

PV

photovoltaic

Pylle Southern

the Pylle Southern solar park project

ROCs

Renewables Obligation Certificates

tap issuance programme

the programme announced on 28 July 2016 to issue new shares to satisfy excess demand in the secondary market, subject to JLEN's capital requirements

Tay

the Tay wastewater treatment and processing project

total shareholder return

total shareholder return combines the share price movement and dividends since IPO expressed as an annualised percentage

UK HoldCo

John Laing Environmental Assets Group (UK) Limited, wholly-owned subsidiary of John Laing Environmental Assets Group Limited

WADR

the weighted average discount rate

Wear Point

the Wear Point wind farm project

Cautionary statement

Pages 1 to 24 of this report, including the about us, at a glance, fund objectives, Chairman's statement and the Investment Adviser's report (together the review section) have been prepared solely to provide additional information to shareholders to assess JLEN's strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

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

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

These forward-looking statements reflect current expectations regarding future events and performance and speak only as at the date of this report. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Forward-looking statements are not guarantees of future performance or results and will not necessarily be accurate indications of whether or not the times at or by which such performance or results will be achieved. The Company's actual investment performance, results of operations, financial condition, liquidity, prospects, opportunities, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward looking statements contained in this report.

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

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

This half-year report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to John Laing Environmental Assets Group Limited and its subsidiary undertakings when viewed as a whole.



JLEN

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