BBGI

Interim Report 2017

A Global Infrastructure Company

Registre de Commerce
et des Sociétés Luxembourg:
B163879

FOR THE SIX MONTHS ENDED 30 JUNE 2017

www.bb-gi.com
BBGI SICAV S.A.

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CAUTIONARY STATEMENT

Certain sections of this report including the Company Overview, the Chairman's Statement and the Report of the Management Board (the "**Review Section**") have been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

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

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

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. The Company's actual investment performance, results of operations, financial condition, liquidity, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document.

Subject to their legal and regulatory obligations, the Directors 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 interim report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters that are significant to BBGI SICAV S.A. and its subsidiaries when viewed as a whole.

COMPANY OVERVIEW

BBGI SICAV S.A.

BBGI SICAV S.A. **("BBGI", or the "Company" or, together with its consolidated subsidiaries, the "Group")** is an investment company incorporated in Luxembourg. The Company was admitted to the London Stock Exchange ("LSE") in December 2011. BBGI invests in Private Finance Initiative ("PFI") / Public Private Partnership ("PPP") infrastructure assets. BBGI's portfolio currently consists of 39 PFI / PPP infrastructure assets diversified by geography and sector across availability-based road projects and a range of social infrastructure projects in the UK, Continental Europe, Canada, Australia and the USA. The Company is the only internally managed London-listed PPP Investment Company.

The Company is incorporated in Luxembourg in the form of a public limited company (*société anonyme*) with variable share capital (*société d'investissement à capital variable*, or "SICAV") and regulated by the Commission de Surveillance du Secteur Financier ("CSSF") under Part II of the Luxembourg Law of 17 December 2010 on undertakings for collective investments with an indefinite life. The Company was admitted to the official list of the UK Listing Authority (premium listing, closed-ended investment fund) and to trading on the main market of the London Stock Exchange on 21 December 2011.

BBGI AT A GLANCE

- Market capitalisation of £688.6[1] million at 30 June 2017.
- Global, geographically diversified portfolio of 39 high-quality availability-based[2] PPP/PFI infrastructure assets with strong yield characteristics, contracted government-backed revenue streams, inflation-linked returns and long-term contracts.
- 97% of the assets by value are operational assets with a focus on availability-based roads and bridges and social infrastructure.
- 100% low risk availability-based PPP/PFI infrastructure assets. No demand-based assets and no regulated assets.
- 42% of the assets by value are located in the UK, 27% in Canada, 18% in Australia, 8% in Continental Europe and 5% in the United States.
- 42% of assets by value are availability-based roads and bridges, while the remainder are social infrastructure assets, principally schools, hospitals and prisons.
- Stable cash flows with inflation protection characteristics.
- Potential value upside from active management of the portfolio.
- A revised dividend target of 6.50 pence per share for the year ending 31 December 2017[3].
- 7%–8% target IRR on the £1.00 IPO issue price.
- Internally managed fund with an experienced PPP/PFI in-house management team.
- Strong governance model and alignment of interests between the management team and shareholders. In addition to a base remuneration, the management team is remunerated by long and short-term incentive plans that prioritise total shareholder returns and net asset value per share growth, and is not compensated based on assets under management.
- The ordinary shares are eligible for inclusion in PEPs and ISAs (subject to applicable subscription limits), provided they have been acquired by purchase in the market. The ordinary shares are also permissible assets for SIPPs.

[1] Represents the Company's total number of shares outstanding at 30 June 2017 multiplied by the closing market price of the shares on that date.

[2] In accordance with the Company's Investment Policy.

[3] These are targets only and not profit forecasts. There can be no assurance that these targets will be met.

FINANCIAL & OPERATIONAL HIGHLIGHTS

For the six months ended 30 June 2017

- Investment Basis NAV per share of 128.7 pence as at 30 June 2017 (126.1 pence – 31 December 2016), which represents an increase of 2.1%.
- An increase in Net Asset Value ("NAV") on an investment basis ("Investment Basis NAV") to £614.4 million as at 30 June 2017 (£545.0 million as at 31 December 2016).
- In April 2017, the Company raised £58.5 million through a placing of new ordinary shares at a price of 136.0 pence per placing Share, representing a 2.9% discount to the closing mid-market price on 28 March 2017 of 140.0 pence.
- The Company signed a strategic agreement with a subsidiary of SNC-Lavalin Group Inc. to invest in five operational availability-based PPP assets in Canada with a value of up to CAD189 million[4]. Furthermore, as part of the transaction BBGI will benefit from a pipeline agreement which provides a right of first offer for a robust pipeline of Canadian availability-based PPP projects currently under construction.
- The Company paid a 2016 final dividend of 3.125 pence per share on 28 June 2017, resulting in a total dividend payment of 6.25 pence per share for the year ended 31 December 2016, which was in line with target.
- The Board is pleased to announce that it has increased its 2017 dividend target from 6.25 pence per share to 6.50 pence per share, which represents an increase of 4.0%. The Company declared today a 2017 interim dividend of 3.25 pence per share, which will be paid on 25 October 2017.
- Total Shareholder Return ("TSR") in the period from 31 December 2016 to 30 June 2017 was 7.2% whilst TSR since listing in December 2011 to 30 June 2017 was 83.1%[5], equating to a compound annual growth rate ("CAGR")[6] of 11.6%.
- An annualised Ongoing Charge Percentage[7] of 0.98% (0.98% at 31 December 2016), which we believe continues to be the lowest in the UK listed infrastructure sector.
- Portfolio performance and cash receipts were ahead of the business plan and underlying financial models.
- At 30 June 2017, the Group had a total cash balance of £29.4 million on an Investment Basis and had no cash borrowings[8]. The Company increased the total commitment under the corporate credit facility from £110 million to £180 million with effect from 16 June 2017 by utilising the accordion provision. The credit facility terms remain unchanged.
- International Financial Reporting Standards ("IFRS") NAV of £610.1 million as at 30 June 2017 (£538.8 million – 31 December 2016).
- Net profit under IFRS of £25.3 million for the period ended 30 June 2017 (£46.1 million – 30 June 2016).
- The Company continues to build an attractive pipeline of primary investment opportunities in new PPP developments and currently has live bids underway in Australia, North America and Europe. Primary opportunities continue to be relatively attractive as there are greater barriers to entry for new market entrants and BBGI can benefit from its development credentials and portfolio.

[4] BBGI's previous market announcement referenced a total cash consideration of approximately CAD 208 million for the five assets, which subsequently reduced to a figure of up to CAD 189 million following SNC-Lavalin's disposal of part of its equity investment in one asset to a co-shareholder.

[5] Based on share price at 30 June 2017 and after adding back dividends paid or declared since listing. Expressed as the percentage appreciation of the share price of the Company, after adding back dividends during the period over the share price of the Company at the start of the period.

[6] The compound annual growth rate (CAGR) represents the steady state annual growth rate required to achieve a TSR of 83.1% over the same period from IPO to 30 June 2017.

[7] Refer to page 28 of the interim report for a definition of the Ongoing Charge Percentage.

[8] The use of the corporate credit facility to cover letters of credit does not constitute cash borrowings.

CHAIRMAN'S STATEMENT

David Richardson,
Chairman

DEAR SHAREHOLDER,

I am pleased to present the Interim Report for the half year to 30 June 2017.

Your Company has, again, performed very solidly during this period with good financial performance from the 39 project assets that we owned at the end of last year as well as signing agreements for further investment in the second half of this year and beyond.

The financial performance is set out in detail in the Management Report pages 8 to 29 but I would draw your attention to a further increase of 2.6 pence (2.1%) in the NAV per share as well as the dividend paid in June of 3.125 pence per share. Your Company has also resolved to increase the target dividend for the current year by 4.0% to 6.5 pence per share and will pay an interim dividend of 3.25 pence per share in October 2017.

The secondary market for infrastructure assets has remained highly competitive with investors continuing to be attracted to its fundamental characteristic of asset-backed income secured by strong counter-parties. This is especially true in the infrastructure sub sector of PPP/PFI in which the Company operates. Nonetheless the Company's global focus as well as providing strong diversification also allows us to look across multiple countries, and we were delighted to secure a strategic partnership with SNC- Lavalin Group Inc. in Canada in June. This partnership not only provides us with an investment opportunity of up to CAD189 million (approx. £112 million) in high quality operational infrastructure assets but also access to a strong pipeline of further investments on a first offer basis. All of the existing and new assets are availability-based with the Company avoiding a style drift towards the riskier demand-based and/or regulated assets. BBGI is now the only listed infrastructure investment company with a portfolio of assets that are 100% availability-based.

In April your Company successfully raised an additional £58.5 million of new capital through the placing of new ordinary shares. We now have cash balances of £29.4 million which, together with the revolving credit facility, will enable full settlement with SNC-Lavalin and leave sufficient capacity available for further acquisitions and investment, particularly in the primary market where we continue to see attractive opportunities.

Management has worked diligently to bring about these results and the Supervisory Board was pleased that our shareholders recognised this by unanimously supporting the continuation vote.

The outlook for the world both politically and economically remains volatile. Nonetheless, your Company has consistently invested in availability-based infrastructure projects where the counterparty is a government or a government supported organisation. The resultant predictable and assured cash flows give us confidence in the future performance of the portfolio.

D.H. Richardson.

David Richardson
Chairman
BBGI SICAV S.A.
31 August 2017

INVESTMENT PORTFOLIO

PORTFOLIO SUMMARY

ROADS & BRIDGES	EQUITY STAKE
E18 Motorway, (Norway)	100.00%
Golden Ears Bridge, (Canada)	100.00%
Kicking Horse Canyon, (Canada)	50.00%
M1 Westlink, (UK)	100.00%
M80 Motorway, (UK)	50.00%
Mersey Gateway Bridge, (UK)	37.50%
North Commuter Parkway, (Canada)	50.00%
Northeast Stoney Trail, (Canada)	100.00%
Northwest Anthony Henday Drive, (Canada)	50.00%
Ohio River Bridges/East End Crossing, (USA)	33.33%

HEALTHCARE	EQUITY STAKE
Barking & Havering Clinics, (UK)	60.00%
North London Estates Partnerships, (UK) [9]	53.33%
Gloucester Royal Hospital, (UK)	50.00%
Kelowna & Vernon Hospitals, (Canada)	50.00%
Liverpool & Sefton Clinics (LIFT), (UK) [10]	53.33%
Mersey Care Mental Health Hospital, (UK) [11]	76.20%
Royal Women's Hospital, (Australia)	100.00%
Women's College Hospital, (Canada)	100.00%

EDUCATION	EQUITY STAKE
Bedford Schools, (UK)	100.00%
Belfast Metropolitan College, (UK)	100.00%
Clackmannanshire Schools, (UK)	100.00%
Cologne Schools, (Germany)	50.00%
Cologne-Rodenkirchen School, (Germany)	50.00%
Coventry Schools, (UK)	100.00%
East Down Colleges, (UK)	66.67%
Frankfurt Schools, (Germany)	50.00%
Kent Schools, (UK)	50.00%
Lagan College, (UK)	100.00%
Lisburn College, (UK)	100.00%
North West Regional College, (UK)	100.00%
Scottish Borders Schools, (UK)	100.00%
Tor Bank School, (UK)	100.00%

JUSTICE	EQUITY STAKE
Burg Prison, (Germany)	90.00%
Northern Territory Secure Facilities, (Australia)	100.00%
Victoria Prisons, (Australia)	100.00%
Avon & Somerset Police Headquarters, (UK)	100.00%

OTHER	EQUITY STAKE
Fürst Wrede Military Base, (Germany)	50.00%
Stoke-on-Trent & Staffordshire Fire and Rescue Service, (UK)	85.00%
Unna Administrative Centre, (Germany) [12]	44.10%

As at 30 June 2017, BBGI's assets consisted of interests in 39 high-quality, availability-based, PPP/PFI infrastructure assets. The assets, in the roads and bridges, healthcare, education, justice and other services sectors, are located in Australia, Canada, Continental Europe, the UK and the U.S.; 97% of the assets by value are operational, 0% are in early-stage construction[13], 3% are in late-stage construction and expected to become operational before the end of 2017.

BBGI has equity and subordinated debt subscription obligations in Mersey Gateway Bridge ("MGB") and in North Commuter Parkway ("NCP"), collectively amounting to approximately £24 million. The Company paid the subscription obligations for MGB into a cash collateral account during the period, which resulted in the cancellation of the supporting letter of credit. The NCP subscription obligations, which continue to be supported by a letter of credit, are due for payment upon the scheduled construction completion in H2 2018.

The concessions to project entities in the portfolio are granted predominantly by a variety of public sector clients or entities, which are government backed. All project entities in the portfolio are located in countries which are highly rated (Aa1/AA for the UK; Aaa/AAA for Australia, Canada, Germany and Norway; Aaa/AA+ for the U.S.) by Moody's and Standard & Poor's, respectively.

9 53.33% equity and 60% sub debt

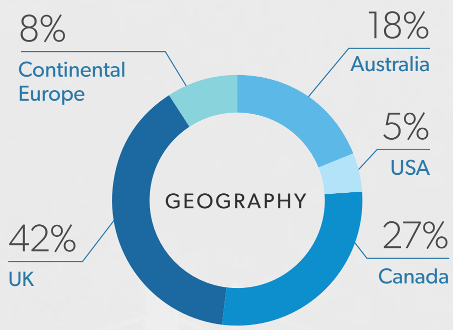
10 53.33% equity and 59.46% sub debt

11 76.20% equity and 80% sub debt

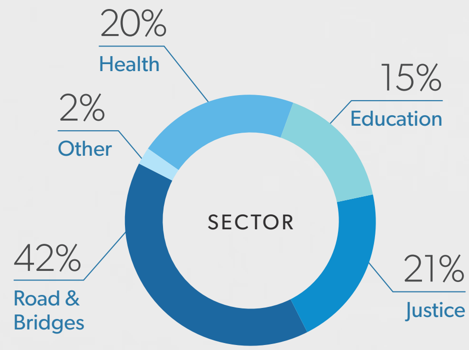
12 Entitled to 100% of distributions

13 Although NCP is considered as an early stage construction asset the present value of future project distributions are effectively offset by the present value of the future equity subscription obligation.

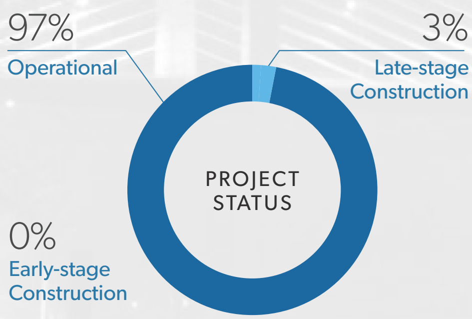
PORTFOLIO BREAKDOWN
AT 30 JUNE 2017



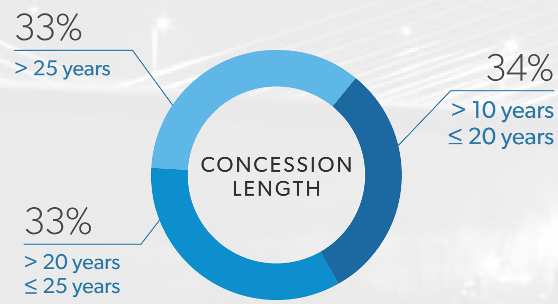
Global portfolio with 39 assets all located in countries with ratings between AA and AAA.



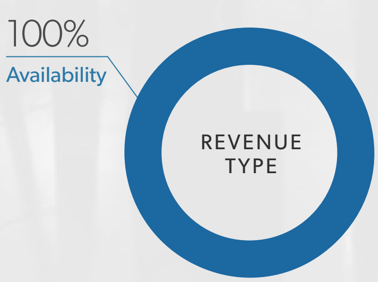
Diversified sector exposure with a bias towards availability roads and bridges.



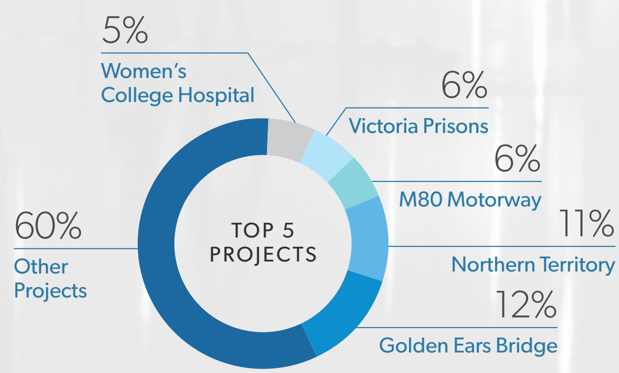
Modest construction exposure provides opportunity for NAV growth as projects become operational. Construction assets are scheduled to become operational in H2 2017 and H2 2018.



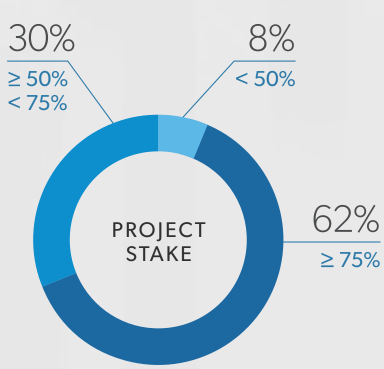
Weighted average concession life is 22.3 years and weighted average debt life is 18.8 years.



100% availability-based income; no demand or regulated asset risk.



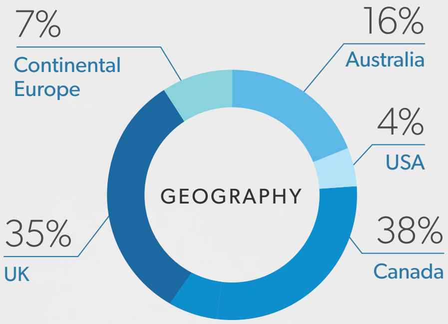
Well-diversified portfolio with no major single asset exposure.



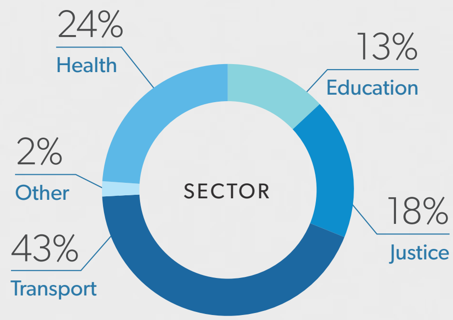
92% of portfolio owned 50% or more.

PRO FORMA PORTFOLIO BREAKDOWN

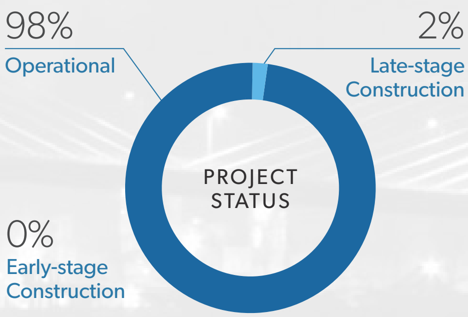
(assuming completion of the SNC-Lavalin acquisition)[14]



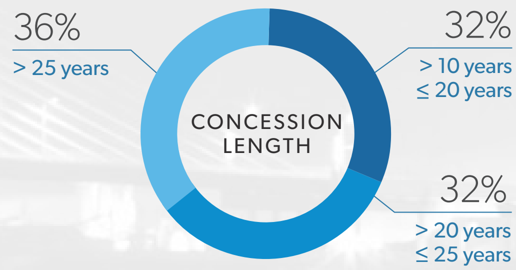
Global portfolio with 44 assets all located in countries with ratings between AA and AAA.



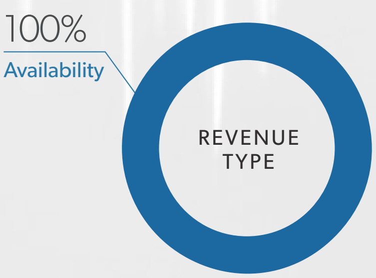
Diversified sector exposure with a bias towards availability transport assets.



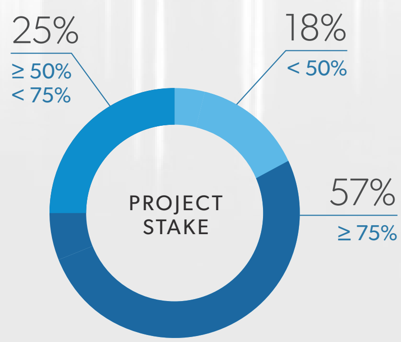
Modest construction exposure provides opportunity for NAV growth as projects become operational. Construction assets are scheduled to become operational in H2 2017 and H2 2018.



Weighted average concession life is 22.5 years and weighted average debt life is 19.3 years.



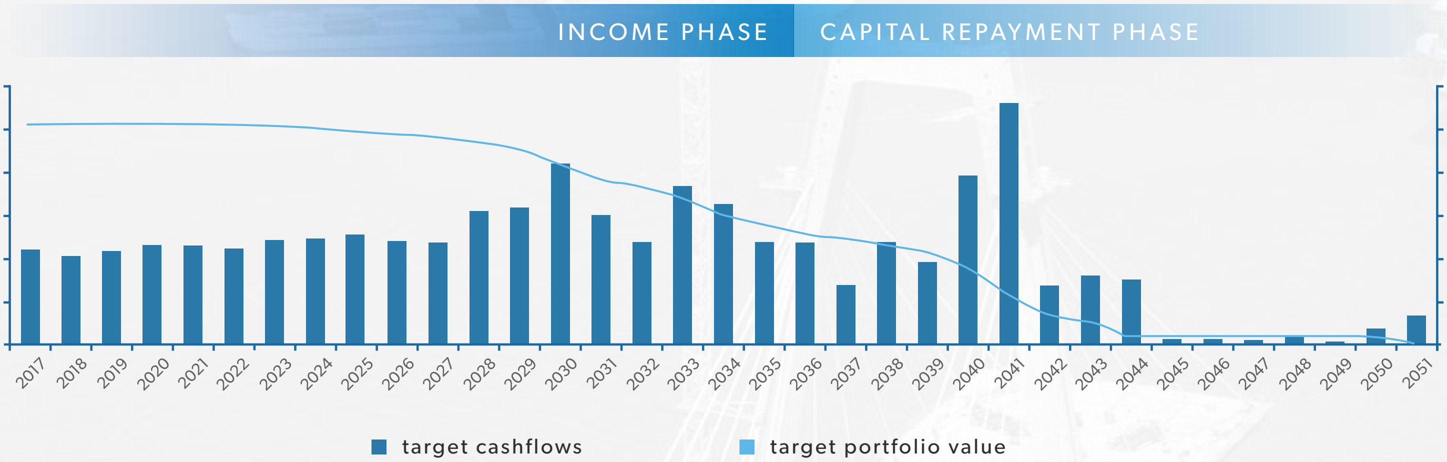
100% availability-based income; no demand or regulated asset risk.



82% of portfolio owned 50% or more.

[14] In June 2017, the Company announced that it had signed a strategic agreement with a subsidiary of SNC-Lavalin Group Inc. (TSX ticker: SNC) ("SNC-Lavalin") to invest in an investment vehicle which will hold substantial equity interests in five operational PPP projects in Canada. The above pro forma illustrates the portfolio breakdown assuming the completion of this acquisition on 30 June 2017.

ILLUSTRATIVE PORTFOLIO OVERVIEW



The above chart[15] illustrates the target long-term steady stream of portfolio cash flows deriving from the existing portfolio of underlying assets until year 2051.

Typically, new investments contribute to both the cash flows and the weighted average length of the portfolio. Based on current estimates, the existing portfolio is forecast to enter into the capital repayment phase in 2036 whereby cash inflows from the portfolio will be paid to BBGI's shareholders as capital repayment and the portfolio valuation will reduce as projects reach the end of their concession term.

BBGI has a weighted average portfolio life of 22.3 years, a decrease of 0.3 years compared with 31 December 2016. It is the Company's investment strategy to continue to add new investments to the portfolio over time in order to maintain the weighted average portfolio life.

[15] This illustrative chart is a target only, as at 30 June 2017, and is not a profit forecast. There can be no assurance that this target will be met.

Ohio River Bridge, USA

REPORT OF THE MANAGEMENT BOARD

BUSINESS REVIEW

We are pleased to report another successful six months for the Company in the period to 30 June 2017.

The Company's portfolio of investments has performed well in the first half of the year, with cash flows ahead of the business plan. During the period, the investment portfolio has enjoyed an up-lift in valuation because of continued active management, disciplined cost control and the continued strong market demand for PPP/PFI infrastructure assets. Furthermore the Company has been particularly active in pursuing opportunities in both the primary and secondary markets.

In light of the continued strong portfolio performance, the Board is pleased to announce that it has resolved to increase its 2017 dividend target from 6.25 pence per share to 6.50 pence per share, which represents an increase of 4.0% and aligns with the Company's aim to increase progressively the dividend target over the longer term. As a result, the Company will pay an interim dividend of 3.25 pence per share on 25 October 2017.

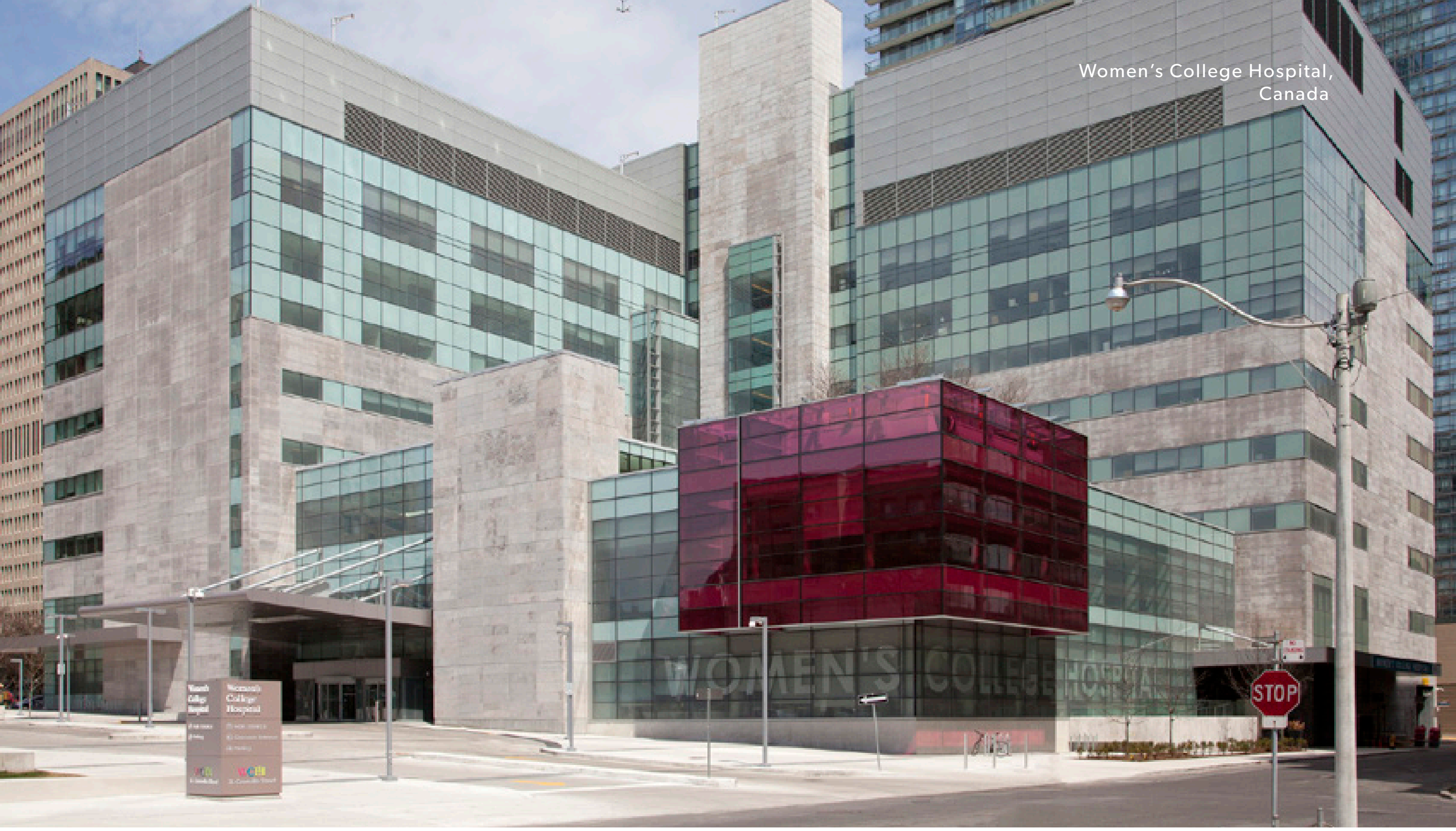
KEY PERFORMANCE INDICATORS (KPI's)

	31 DEC 2013	31 DEC 2014	31 DEC 2015	31 DEC 2016	30 JUNE 2017	TARGET
Dividends declared for the year / half year	5.50 pence per share	5.76 pence per share	6.00 pence per share	6.25 pence per share	3.25 pence per share interim dividend	DECLARED: 2013: 5.50 pence 2014: 5.76 pence 2015: 6.00 pence 2016: 6.25 pence TARGET: 2017: 6.50 pence
Investment Basis NAV	£449.25m	£465.29m	£479.84m	£545.0m	£614.4m	Stable growth
Growth in Investment Basis NAV per share in reporting period	2.04%	3.49%	2.05%	13.10%	2.07%	Stable and consistent NAV per share growth
Total Shareholder return in year / period to date (share price plus dividends per share)	15.70%	10.79%	8.69%	11.20%	7.20% [16]	7% to 8% on the £1 IPO issue price
Total Shareholder return since listing in December 2011[17] (share price plus dividends per share)	29.00%	41.25%	53.53%	70.70%	83.10%	7% to 8% per annum on the £1 IPO issue price
Ongoing Charges Percentage	1.11%	0.98%	0.96%	0.98%	0.98% [18]	Seek to minimise ongoing charge over time
Weighted average discount rate	8.39%	8.21%	7.86%	7.56%	7.48%	To reflect the risk associated with the underlying investments
Weighted average PPP/PFI concession life	24.6 years	24.2 years	23.7 years	22.6 years	22.3 years	Maintain / renew the longevity of the portfolio
Weighted average portfolio debt maturity	23.2 years	21.3 years	19.2 years	19.2 years	18.8 years	Maintain long-term financing of the portfolio
Five largest investments as a percentage of the portfolio by value	51%	40%	41%	42%	40%	Maintain portfolio diversification
Largest investment as a percentage of the portfolio by value	17% (Golden Ears Bridge)	13% (Golden Ears Bridge)	12% (Northern Territory Secure Facilities)	13% (Golden Ears Bridge)	12% (Golden Ears Bridge)	To be less than 20% at time of acquisition
Inflation correlation of the portfolio (+/−1%)	Not reported	Not reported	Approx 0.50%	Approx 0.50%	Approx 0.45%	To maintain a strong correlation

[16] Or 11.6% on a CAGR basis.

[17] Based on share price at 30 June 2017 and after adding back dividends paid or declared since listing.

[18] The Ongoing Charge percentage shown for 30 June 2017 based on an annualised calculation.



Women's College Hospital, Canada

INVESTMENT PERFORMANCE

The infrastructure sector's safe haven status, together with the attractive yield offered, continues to help maintain the premium to NAV in the current markets. A key benefit of the BBGI portfolio is the high-quality cash flows derived from long-term government-backed availability based contracts. As a result, the portfolio performance is largely uncorrelated with GDP and other economic factors that may cause market volatility in other sectors.

The share price closed at 144.25 pence on 30 June 2017, which represents a TSR of 7.2% in the reporting period and 83.1% since listing on 21 December 2011 to 30 June 2017, equating to a CAGR of 11.6% since IPO.

The shares traded strongly throughout the six-month period in a range from £1.36 to £1.48, and closed on 30 June 2017 at a premium to NAV of 12.1%. The Investment Basis NAV per share at 30 June 2017 was 128.7 pence.

DIVIDENDS

A final dividend for 2016 was paid on 28 June 2017. Together with the 2016 interim dividend, which was paid in October 2016, the total dividend for the year ended 31 December 2016 amounted to 6.25 pence per share.

The Board has today declared a 2017 interim dividend of 3.25 pence per share, which is in line with its increased target of 6.50 pence per share, to be paid on 25 October 2017.

FOREIGN EXCHANGE

Exchange rates remained relatively stable in the period showing only minor movements across the currencies to which BBGI is exposed.

The decrease in portfolio value resulting from foreign exchange losses during the period ended 30 June 2017 was £(3.2) million or (0.56)% of the 31 December 2016 portfolio value. Refer to pages 24 and 25 of the Interim Report for further foreign exchange sensitivity analysis.

HEDGING

BBGI is exposed to foreign exchange movements on future portfolio distributions with major exposures denominated in Australian dollars (AUD) 18% and Canadian dollars (CAD) 27%. At 30 June 2017, 55% of the portfolio by value had cash flows denominated in currencies other than Sterling.

The Company seeks to provide foreign exchange protection for Sterling dividends that it targets to pay on the ordinary shares over the next four years. In order to reduce the risk of currency fluctuations and the volatility of returns that may result from such currency exposure, the Company has implemented a policy of using forward contracts to hedge a portion of its anticipated foreign currency cash flows.

While the Company tries to mitigate the impacts of foreign currency movements on the NAV by hedging a portion of the expected distributions coming from the portfolio over the next four years, it would not be economical to seek to immunise in full the portfolio value against adverse foreign exchange movements.

The Management Board reviews the Company's hedging strategy on an annual basis. During the reporting period, the Board considered the possibility of hedging a larger portion of forecast portfolio distributions within the four-year hedging period. Prior to this review the Company had been hedging forecast portfolio distributions on a sliding scale of 100% Year 1, 75% Year 2, 50% Year 3 and 25% Year 4. Increasing the percentage of forecast distributions hedged would provide further protection against adverse exchange rate movements. After a detailed review, the Board decided to change the hedge coverage to 100% Year 1, 100% Year 2, 100% Year 3 and 75% Year 4. The Board also considered extending the hedging period out to five or six years. The result of this review however was that the cost of hedging beyond four years became progressively more expensive with the Board concluding that the costs exceeded the benefits.

In July 2017 (post the balance sheet date), the Company entered into a number of currency forwards, in accordance with its revised hedging policy. The 30 June 2017 portfolio valuation reflects these post balance sheet date hedge contracts.

It is the Company's policy not to hedge Euro denominated portfolio distributions, as it currently forecasts that these cash flows will continue to be used to cover the Group's running costs which are largely Euro denominated, thereby creating a natural hedge.


Mersey Gateway Bridge, UK

ACQUISITIONS

In June 2017, the Company signed a strategic agreement with a subsidiary of SNC-Lavalin Group Inc. (TSX ticker: SNC) ("SNC-Lavalin") to acquire substantial equity interests in five PPP projects in Canada. All assets are operational and classified as availability-based under the investment policy of the Company. The agreed total cash consideration payable for the five initial project interests is expected to be up to CAD189 million[4], which will be funded from existing cash resources and drawings under its increased credit facility.

SNC-Lavalin, with a market capitalisation of approximately CS$8 billion (approximately £4.75 billion), is the largest engineering company in Canada and is also a leader in the Canadian PPP market with an extensive portfolio of PPP assets.

Furthermore, as part of the transaction, BBGI will benefit from a pipeline agreement that provides a right of first offer with respect to the potential future acquisition of defined interests in SNC-Lavalin's robust pipeline of Canadian availability-based PPP projects currently under construction, which is expected to create additional investment opportunities over the coming years once these assets become operational.

The acquisition of the equity interests will be implemented via a partnership structure where SNC-Lavalin will control the general partner. BBGI expect the acquisition of the interests in the first four operational assets described below to occur in H2 2017. The interest in McGill University Health Centre, which is subject to a number of project-specific conditions precedent being satisfied, is expected to occur at a later date.

William R. Bennett Bridge is a 2 km corridor that straddles Okanagan Lake to connect two communities, Kelowna and West Kelowna, in the interior of British Columbia. The project became operational in 2008 and the concession runs until 2035. Availability payments are received from the Province of BC (AAA rated by S&P). BBGI's interest will be 80% of the project equity.

Canada Line is a 19.5 km automated rail-based rapid transit service connecting downtown Vancouver with Richmond and the Vancouver International Airport. The project became operational in 2009 and the concession runs until 2040. Availability payments are received from Translink (Aa2 rated by Moody's). BBGI's interest will be 26.7% of the project equity.

Southeast Stoney Trail is a 25 km highway that is part of the Calgary Ring Road network. The project became operational in 2013 and the concession runs until 2043. Availability payments are received from the Province of Alberta (AA+ rated by S&P). BBGI's interest will be 40% of the project equity.

Restigouche Hospital Centre is a 33,500 m^2 hospital with 140 beds located in Campbellton, New Brunswick. The project became operational in 2013 and the concession runs until 2044. Availability payments are received from the Province of New Brunswick (A+ rated by S&P). BBGI's interests will be 80% of the project equity.

McGill University Health Centre ("MUHC") is a 214,000 m^2 hospital with 500 private patient rooms located in Montreal, Quebec. The project became operational in 2014 and the concession runs until 2044. Availability payments are received from MUHC, which is rated A (high) by the ratings agency DBRS. BBGI's interest will be 40% of the project equity.

Following the acquisition Canada will represent 38% of the Portfolio, the UK 35% and others 27%. Management remain focused on maintaining a geographically diversified portfolio.

In addition to the above noted transaction, the Company has an attractive pipeline of potential acquisition opportunities in a variety of geographies. The Management Board intends to continue to follow its established principles when pursuing new investment opportunities, in line with the Company's investment policy.

FINANCING

At 30 June 2017, the Group had a consolidated cash balance of £29.4 million on an Investment Basis or 4.8% of NAV with no amounts drawn under the credit facility.

CREDIT FACILITY

The Company has a multi-currency Revolving Credit Facility ("RCF") with ING Bank and KfW IPEX-Bank, and in June 2017 increased the commitment under the accordion tranche provision from £110 million to £180 million.

The Company uses the RCF primarily to fund acquisitions and to provide letters of credit for investment obligations with the intention to repay from time to time through equity fundraisings. The Company does not use long-term structural gearing. The borrowing margin is 185 bps over LIBOR. In April, the Company used approx. £45.3 million of placing proceeds to repay the entire amount drawn under the RCF. At 30 June 2017, the Company had utilised £5.6 million of the RCF to cover letters of credit leaving £174.4 million available for borrowing.

By repaying the RCF, the Company now has additional financial flexibility to pursue suitable new primary and secondary investment opportunities as and when they become available.

The term of the RCF is three years, expiring in January 2018. Management commenced the refinancing process during the reporting period and are looking to conclude in H2 2017.

TAP ISSUE

The Company has the ability, without the expense of issuing a prospectus or holding an EGM, to raise new equity by allotting up to 10% of its issued share capital in order to finance further acquisitions[19].

In April, the Company raised £58.5 million through a placing of 43,039,300 new ordinary shares of no par value. The placing price was at 136.0 pence per placing Share, representing a 2.9% discount to the closing mid-market price per Ordinary Share on 28 March 2017 of 140.0 pence. The proceeds of the placing were used to repay the amounts drawn on the RCF and to part finance the MGB cash collateral account.

At the Company's EGM in April 2016, the shareholders voted unanimously in favour of amending the Company's articles in order to remove the NAV +5% premium limitation imposed when setting the price of secondary issuances of the same class of shares. This amendment continues to be subject to the enactment of a new bill into Luxembourg law. This bill is still going through the Luxembourg Parliamentary legislative process. While the proposed legislation is not seen as controversial, it was included as part of a larger bill which includes more controversial elements. We are currently working to see if the legislation dealing with the +5% premium limitation can be considered separately.

[19] Following a recent change to the Prospectus Regulation, with effect from 20 July 2017, the threshold for the issue of new shares on a regulated market above which a prospectus is required to published has changed from 10% to 20% of the number of shares of the same class already admitted to trading, within a 12 month period.

PROJECT FINANCING

The refinancing process for the Royal Women's Hospital ("RWH") in Melbourne, which commenced in Q3 2016, successfully closed on 3 August 2017. The process offered BBGI an opportunity to further de-risk the portfolio by opting for a long-term bank financing solution thereby removing any future refinancing risk. The increased coverage ratios under this long-term financing solution required a further equity injection by BBGI of approximately £11.7 million in July 2017. The valuation at 30 June 2017 reflects the new RWH financing terms.

During the reporting period, Management also began the process of refinancing the long-term amortising debt of the Women's College Hospital project in Canada. We expect this process to conclude during H2 2017. Although a refinancing is not obligatory the terms of the existing debt are such that if it is not refinanced before July 2019 then under the contractual documents there would be an increase in the lending margin and a cash sweep in favour of the lenders, both of which act as an incentive to refinance. Current expectations are that the refinancing will result in a refinancing gain which is expected be recognised during the second half of 2017.

Subject to a successful conclusion of the Women's College Hospital refinancing, then the Northern Territory Secure Facilities project will be the only remaining project in the BBGI portfolio with short-term debt in place. All other PPP/PFI projects have long-term amortising debt in place, which will not require refinancing.

Management will also actively seek to refinance projects on an opportunistic basis where there is a possibility that it will result in an uplift in the project value.

As at 30 June 2017, the weighted average PPP project concession length remaining was 22.3 years and the weighted average portfolio debt maturity was 18.8 years. Debt financing at the project level is structured in a way that does not provide any recourse to the Company.

INTERNALLY MANAGED

The Company has an experienced internal management team. Management are incentivised, to maintain and grow the returns to shareholders. As BBGI has no external manager, there are no fees paid based on the size of the portfolio and no acquisition fees.

The ongoing charge percentage is a figure that shows the drag on performance caused by operational expenses. This figure is expected to continue to decrease due to economies of scale as the portfolio increases in size, i.e. the growth in the average net assets is expected to outpace the growth in the cost of administering those assets, thereby resulting in a reduction in the ongoing charge percentage. The annualised Ongoing Charge for the year ending 31 December 2017 is forecast to be 0.98%[20].

[20] Refer to page 28 of the Financial Results section of this report for further detail on the ongoing charge percentage.

MARKET DEVELOPMENTS

A key theme among investors remains the search for high-quality income, particularly from asset classes uncorrelated to general equity market volatility and economic cycles. This has made PPP infrastructure a very desirable asset class.

In the current market environment, yields on many asset classes, such as gilts, government bonds and cash deposits, remain at very low levels. Interest rates have started to increase slightly from historic lows, with this impacting on infrastructure valuations via the discount rates used in the discounted cash flow valuation methodologies, however there continues to be a very strong demand from both established and new investors in the infrastructure sector, who are bidding aggressively for PPP assets because of the attractive risk adjusted returns they generate. Demand for infrastructure investments continues to exceed supply and is resulting in continued pressure on pricing. While this continues to be positive for BBGI's portfolio valuation, it does make it more challenging to source accretive transactions in the secondary market.

NORTH AMERICA

CANADA

The Canadian market continues to deliver an impressive and transparent pipeline of primary development opportunities within an environment of strong political support. It also contains an emerging secondary market. BBGI's recently announced transaction with SNC-Lavalin is one of the largest secondary transactions in Canada and is consistent with our previously mentioned theme of tier 1 contractors wanting to recycle their equity to deploy into new PPP investment opportunities.

The use of the PPP delivery model is well established throughout Canada, with over 250 deals reaching financial close. The vast majority (over 240) have closed since 2004, and the current pipeline indicates this is poised to increase. The enhancement of infrastructure through the utilisation of private capital is a concept that has the firm backing of the Canadian government. The five most active regions of the country are Ontario, Saskatchewan, Alberta, British Columbia and Quebec with a number of future projects announced or planned in a variety of sectors.

BBGI currently has seven PPP projects in Canada. This number is expected to increase to 12 projects once the aforementioned transaction with SNC-Lavalin completes. In addition to securing secondary opportunities, BBGI has been active during the period in pursuing primary development opportunities in this market and is in advanced discussions with consortia for a number of PPP projects in the Canadian market.

We expect to see further activity in the Canadian secondary market in the coming years as a number of projects come into operation. Many of the projects developed over the last 3-5 years had prohibitions on re-sales until after construction completion. The expectation is that the equity interest in some of these projects may soon start to trade. BBGI's strong presence in Canada will ensure we have good exposure to the potential deal flow. BBGI will also benefit from a pipeline agreement with SNC-Lavalin that provides a right of first offer with respect to the potential future acquisition of defined interests in SNC-Lavalin's robust pipeline of Canadian availability-based PPP projects currently under construction.

UNITED STATES OF AMERICA

The U.S. is one of the largest infrastructure markets globally in terms of potential, with a substantial requirement for private investment. Current estimates are that over US$4 trillion in infrastructure spending will be required in the U.S. by 2020.

The scale of this infrastructure investment requires the government to look to the private sector to play an increasingly important role in delivering its critical projects. In response, most jurisdictions have now introduced specific legislation to enable PPP investment, with a primary focus on the transport sector.

Despite its promise, in the past 24 months only about 11 deals reached financial close with just over US$800 million of equity invested. We continue to be cautiously optimistic that future infrastructure spending may exceed recent levels, especially given that increased infrastructure investment has been a key policy platform of the Trump administration. In his "America's Infrastructure First" policy, President Trump pledged to use "public-private partnerships, and other prudent funding opportunities" to deliver economic and jobs growth.

BBGI's investment in the Ohio River Bridges ("ORB") PPP project gives it a very important beachhead in the evolving U.S. market. To date this is one of a handful of availability-based transport projects to be delivered in the U.S. using PPP and one of only a few to reach substantial completion on time and on budget. The Company is hopeful that the knowledge and exposure gained from the ORB transaction will help position it favourably for more opportunities in this developing but important market.

EUROPE

2016 was a reasonable year for the European PPP market and current indications suggest that 2017 will be more of the same. During 2016, the aggregate value of PPP transactions, which reached financial close in the European market, totalled €12 billion; 69 PPP transactions closed, including six large transactions (i.e. transactions in excess of €500 million).

The UK remained the most active market in Europe by number of projects, with 28 transactions closed in 2016 (compared to 15 in 2015). The UK had a total deal value in excess of £3.3 billion.

The UK, post the Brexit referendum, is now in what could be a prolonged period of political and economic uncertainty. It is difficult to assess with certainty the impact this environment may have on the future of UK PPP infrastructure investment. The recently established National Infrastructure Commission, an independent body headed by Lord Adonis, provides at least some comfort that there is long-term public sector thinking as to the needs of the UK infrastructure sector. Much of the UK pipeline will focus on the transportation sector.

In second place was France with a value of PPP transactions closed equal to €2.4 billion where two large transactions with toll or technology risk accounted for almost half of the French PPP market. Seven countries closed at least two deals and 10 countries closed at least one PPP transaction in 2016.

In Europe, the transportation sector remained by far the largest in terms of value. Education is the second most active sector, followed by Healthcare.

Looking to the future, Germany and the Netherlands are two of the more promising PPP markets in Europe with primarily new road projects planned under the PPP model. BBGI currently has six PPP assets in Germany and is excited about the potential prospects offered by this market. We believe that synergies from our existing assets in Germany, and our German and Dutch language skills, will help us grow in both Germany and the Netherlands.

Another promising PPP market where BBGI is well positioned to participate in an attractive deal flow is Norway. The Norwegian Public Road administration has provided information on two road PPPs it is planning to launch in 2018/19. These are the NOK 9 billion Rv555 motorway and the NOK 7 billion E10/RV 85. We are watching this market closely and as at the date of this announcement only three highway projects have been constructed as PPPs, of which BBGI is the sole owner of the E18 Motorway. There are other markets within Europe that are showing promise and may provide potential investment opportunities. BBGI will continue to monitor these markets and consider opportunities on a selective basis with a focus on clearly defined infrastructure market segments at the lower end of the risk spectrum.

AUSTRALIA & NEW ZEALAND

With a mature and continuing PPP market, Australian PPP deal flow has remained consistent. The need for significant private investment in the nation's infrastructure is anticipated to result in the emergence of a variety of innovative funding and financing models.

Infrastructure Partnerships Australia and BIS Oxford Economics' latest Australian Infrastructure Metric report, is forecasting an AUD2.6 billion rise in construction in the transport sector in 2017. Much of the new PPP work will be in New South Wales and the State of Victoria.

Another promising market is New Zealand. In May 2017, the New Zealand government released a budget announcing a doubling of its spending on infrastructure from just over NZ$2 billion (£1.1 billion) in 2016-17 to more than NZ$4 billion in 2017-18, with NZ$11 billion in total to be spent over the next four years.

MARKET OPPORTUNITIES

BBGI's investment policy is to invest in infrastructure projects developed predominantly under PPP or similar procurement models.

Although BBGI mainly invests in secondary investment opportunities at the operational phase the Company also considers secondary investments in construction stage assets. In addition, the Company participates in PPP projects in the bidding and development phase (primary investments) and continues to look proactively for further investment opportunities that meet its investment criteria and its stated return objectives.

SECONDARY INVESTMENT ACTIVITY

As previously mentioned in this report, in June BBGI announced that the Company signed a strategic agreement with SNC-Lavalin to acquire substantial equity interests in five PPP projects in Canada. Furthermore, as part of the transaction, BBGI will benefit from a pipeline agreement that provides a right of first offer with respect to the potential future acquisition of defined interests in SNC-Lavalin's robust pipeline of Canadian availability-based PPP projects currently under construction. This pipeline is expected to create additional investment opportunities over the coming years once the assets become operational.

This transaction is noteworthy for several reasons. BBGI entered into this transaction on accretive terms. Furthermore, we believe there are strategic benefits for both parties. SNC-Lavalin will be able to recycle capital and re-deploy it into new development assets and BBGI has secured an opportunity to invest in attractive, de-risked operational assets and has gained access to an attractive pipeline of future investment and growth opportunities.

Since IPO we have avoided "strategy drift" and have not altered our investment metrics or relaxed our acquisition criteria in order to grow. This means that we remain a pure-play PPP investment company with a specific focus on the area where we as a management team have deep expertise and understanding. We have not moved up the risk curve by pursuing demand-based assets, regulated utilities or economic infrastructure, all of which typically have a higher risk profile compared to availability-based PPP projects.

Despite a competitive acquisition environment, the Company has demonstrated it can still grow its PPP portfolio on accretive terms.

PRIMARY INVESTMENT ACTIVITY – BIDDING ON NEW PPP PROJECTS

As our portfolio grows, and projects currently in construction move into their operational phase, we will continue to add construction exposure to maintain an appropriate mix. As a number of senior members of our team have extensive experience managing PPP bids and seeing assets through the construction phase, we believe some exposure (less than 25%) can be attractive. We see this as an opportunity to grow the NAV organically over time and will continue to ensure that the dividend target is not compromised. The substantial construction completion of the Ohio River Bridges project in the US in December 2016 once again demonstrated the value that can be generated by successfully taking a project from construction to operational phase.

We are continuing to actively build our pipeline of primary investments to replace those projects that have become operational.

Primary investment activities involve sourcing and originating, bidding for and winning new infrastructure development projects, typically as part of a consortium for PPP projects. Often these primary PPP bids are led by construction companies that are keen to secure the opportunity to construct the asset, but may be keen to have a partner like BBGI for a number of reasons:

- Consortia are attracted to BBGI because of our extensive project credentials that can assist with the shortlisting process;
- Having a financial partner is a pre-requisite for some construction companies so they can avoid consolidating the project company debt onto the balance sheet of the parent company;
- BBGI's cost of capital is often lower than construction companies, so involving BBGI can make the bid more competitive;
- BBGI is a long-term investor which is attractive to government and government-backed counterparties;
- BBGI is considered a reliable source of liquidity should a construction partner decide to sell in the future.

BBGI is currently a short-listed bidder on the following projects in North America, Australia and Europe:

Gordie Howe International Bridge (Canada/USA): BBGI is a member of one of three consortia shortlisted to develop proposals for the Gordie Howe International Bridge with an expected cost in excess of CAD2 billion. The bridge is a high-profile project that will connect Michigan and Ontario and will be paid for by the Canadian federal government. Bid submission is expected in H2 2017.

Outer Suburban Arterial Roads (Australia): BBGI is member of one of three consortia shortlisted for an AUD1.8 billion PPP project to upgrade and maintain eight arterial roads in the western suburbs of Melbourne, Australia. The project is the first of its kind in Australia and calls for duplication and widening as well as maintaining 700 km of road lanes between the suburbs of Werribee and Footscray. It is the first part of the Outer Suburban Arterial Roads program, and a larger package of motorway and suburban road upgrades worth AUD6.2 billion (£3.8 billion). A bid was submitted in early August and a decision is expected towards the end of Q3 2017.

MarKaz Marine Barracks (Netherlands): BBGI is a member of one of three consortia shortlisted for the MarKaz Marine Barrack project in the Netherlands. The facilities, which will accommodate over 3,000 Marines, will cover a total area of 180,000 m^2. The project will include the construction of office spaces, weapon storage areas, sports facilities, shooting ranges, a helipad, parking spaces and medical buildings. The naval barracks is expected to be operational in 2019.

In addition, BBGI is in advanced discussions on various other transport projects, and is supporting consortia to pursue social infrastructure projects.

This primary investment activity demonstrates BBGI's ability to grow the portfolio of infrastructure investments not only by acquiring operational projects but also by partnering with construction companies in consortium bids on new PPP projects. These primary investment opportunities are considered attractive to the Management Board because they are typically well priced on a risk-adjusted basis. Nevertheless, each opportunity will be subject to detailed due diligence on a case-by-case basis. BBGI will continue to selectively pursue further growth opportunities in both new and existing assets. Further information on construction risk can be obtained from the Company's prospectus which is available on the Company's website.

Although there is no certainty that BBGI and its consortia partners will be selected as the preferred bidder on any of the above-mentioned projects, the pipeline is attractive and we aim to develop it further.

RISKS AND UNCERTAINTIES

The principal risks faced by the Company, and the controls and strategies used to mitigate those risks, have not materially changed since those set out in detail in the 31 December 2016 annual report and in the Company's latest prospectus dated 26 November 2013. We expect these risks to remain relevant to the Company for the next six months of the financial year.

MACROECONOMIC ASSUMPTIONS

The Management Board uses certain macroeconomic assumptions when forecasting future cash flows as part of the portfolio valuation exercise. The Management Board appreciates that such assumptions, although reviewed by a third-party valuation expert and based on sound methodologies and latest available market data, are estimates and as such are not necessarily representative of future economic outcomes. As a result, the Management Board carries out sensitivity analysis on these assumptions in order to assess the impact on the NAV.

FOREIGN EXCHANGE

Foreign exchange exposure, although an inherent risk of holding a global portfolio of assets, continues to be closely monitored by the Management Board. We continue to carry out various stress tests to assess the Company's ability to pay its target dividend under a range of scenarios. Refer to the Valuation Section of this report for further detail and the outcome of these tests. The Group uses forward currency contracts to partially mitigate this risk. Refer to page 11 for more information on the Group's hedging strategy.

TAXATION

BBGI continues to assess the impact, if any, which could result from the implementation of various national and global tax developments. In this context the Company is currently assessing the potential impact that certain tax measures could have on Group cash flows, most notably: (i) BEPS Action 2: neutralising the effect of hybrid mismatch arrangements; (ii) the impact of the latest Luxembourg taxation circular on intra-group financing activities; and (iii) the expanded Canadian back-to-back loan rules and their impact on non-resident withholding tax.

BBGI and its advisors will continue to review these developments and others to assess whether any structural changes are required in order to minimise the impact, if any, on Group cashflows.

FIRE SAFETY

Immediately following the Grenfell Tower fire tragedy in London on 14 June 2017, BBGI initiated a survey on its UK portfolio in order to identify if any of the buildings incorporate the 'Aluminium Composite Material' cladding (ACM) that was used at Grenfell Tower.

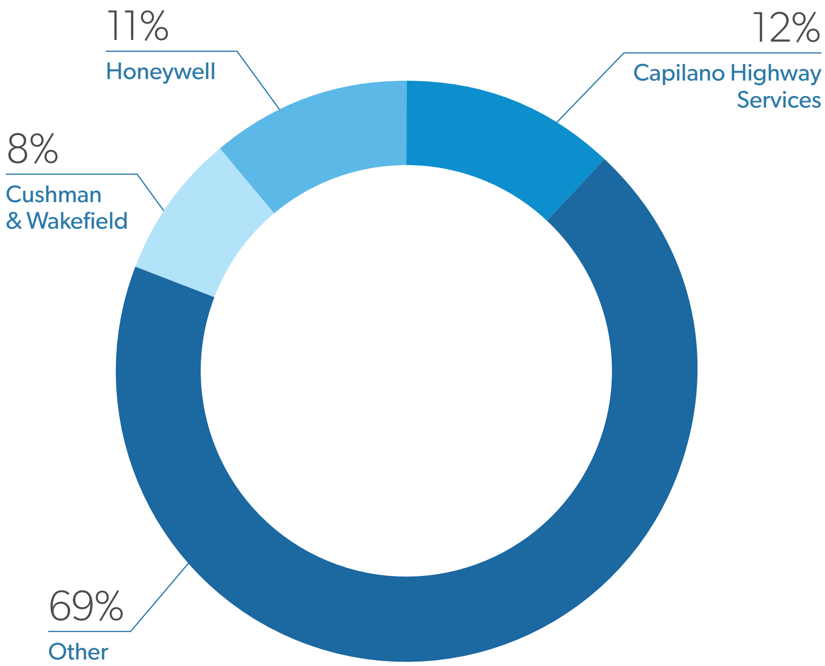
The initial focus was to (i) identify any buildings that met the trigger heights for investigation as outlined in a letter from the UK Government's Department for Communities and Local Government to public sector bodies, and (ii) survey these buildings to ensure there was no presence of ACM cladding. The initial review identified one hospital project which meets the trigger height requirement for investigation. We subsequently engaged an external fire safety specialist to perform an independent external review of the hospital and obtained confirmation that the building is compliant with the applicable Building Regulations and no ACM cladding was identified.

As a second step, BBGI has also voluntarily initiated a desktop study in order to identify what cladding materials are used on all remaining buildings in its UK portfolio. This study is ongoing but to date we have not identified any instance where ACM cladding is used.

COUNTERPARTY EXPOSURE
(FACILITY MANAGEMENT)

Management continually reviews the potential concentration risk in respect of facility management contractors.

The diagram below illustrates the level of counterparty exposure as a percentage of portfolio value. Management have not identified a concentration risk and therefore remain comfortable with the current contract allocation.



VALUATION

The Management Board is responsible for carrying out the fair-market valuation of the Company's investments, which it then presents to the Supervisory Board. The valuation is carried out on a six-month basis at 30 June and 31 December each year. An independent third party reviews the valuation.

The valuation is determined using the discounted cash flow methodology. The cash flows forecast to be received by the Company or its subsidiaries, generated by each of the underlying assets and adjusted as appropriate to reflect the risk and opportunities, are discounted using project specific discount rates. The valuation methodology is the same one used for the valuation of the portfolio in previous reporting periods.

The Company uses the following macroeconomic assumptions for the cash flows:

MACROECONOMIC ASSUMPTIONS

END OF PERIOD	2017	2018–2020	2021–ONWARDS
UNITED KINGDOM			
Indexation (%) [1]	1.75	2.75	2.75
Deposit Interest Rate (%)	1.0	1.0	2.5
SPC Corporate Tax (%) [9]	19.0	19.0	17.0
CANADA			
Indexation (%) [1,2]	1.00/1.35	2.00/2.35	2.00/2.35
Deposit Interest Rate (%)	1.0	1.0	2.5
SPC Corporate Tax (%) [3]	27.0/26.0/26.5	27.0/26.0/26.5	27.0/26.0/26.5
GBP/CAD as at 30 June 2017 [4]	1.688	1.688	1.688
AUSTRALIA			
Indexation (%) [1,5]	1.50	2.50	2.50
Deposit Interest Rate (%) [6]	3.50/4.50	3.50/4.50	3.50/4.50
SPC Corporate Tax (%)	30.0	30.0	30.0
GBP/AUD as at 30 June 2017 [4]	1.692	1.692	1.692
GERMANY			
Indexation (%) [1]	1.00	2.00	2.00
Deposit Interest Rate (%)	1.0	1.0	2.5
SPC Corporate Tax (%) [7]	15.8	15.8	15.8
GBP/EUR as at 30 June 2017 [4]	1.138	1.138	1.138
NORWAY			
Indexation (%) [1,8]	1.94	2.94	2.94
Deposit Interest Rate (%)	1.8	1.8	3.5
SPC Corporate Tax (%)	24.0	24.0	24.0
GBP/NOK as at 30 June 2017 [4]	10.893	10.893	10.893
UNITED STATES OF AMERICA			
Indexation (%) [1,10]	1.50	2.50	2.50
Deposit Interest Rate (%)	1.0	1.0	2.5
SPC Federal Tax (%)	35.0	35.0	35.0
GBP/USD as at 30 June 2017 [4]	1.300	1.300	1.300

[1] The lower 2017 inflation rate is applicable for projects for which the documentation does not prescribe the actual published rate, if available, to be used for the next 12 months from the date of the index being published.

[2] All Canadian projects have a long-term 2.0% indexation factor with the exception of Northeast Stoney Trail and Northwest Anthony Henday Drive, each of which have a slightly different indexation factor derived from a basket of regional labour, CPI and commodity indices.

[3] The tax rate is 27% in Alberta and Saskatchewan, 26% in British Columbia and 26.5% in Ontario.

[4] As published on www.oanda.com.

[5] Long-term Consumer Price Index 2.50% and Long-term Labour Price Index 3.50%.

[6] Cash on Debt Service Reserve Accounts and Maintenance Service Reserve Accounts can be invested on a six-month basis. All other funds are assumed to be deposited on a shorter term.

[7] Including Solidarity charge and excluding Trade tax that varies between communities.

[8] Indexation of revenue based on basket of four specific indices.

[9] UK Corporate tax rate to decrease from 19% to 17% in 2020.

[10] 80% of ORB indexation factor for revenue is contractually fixed and is not tied to CPI.

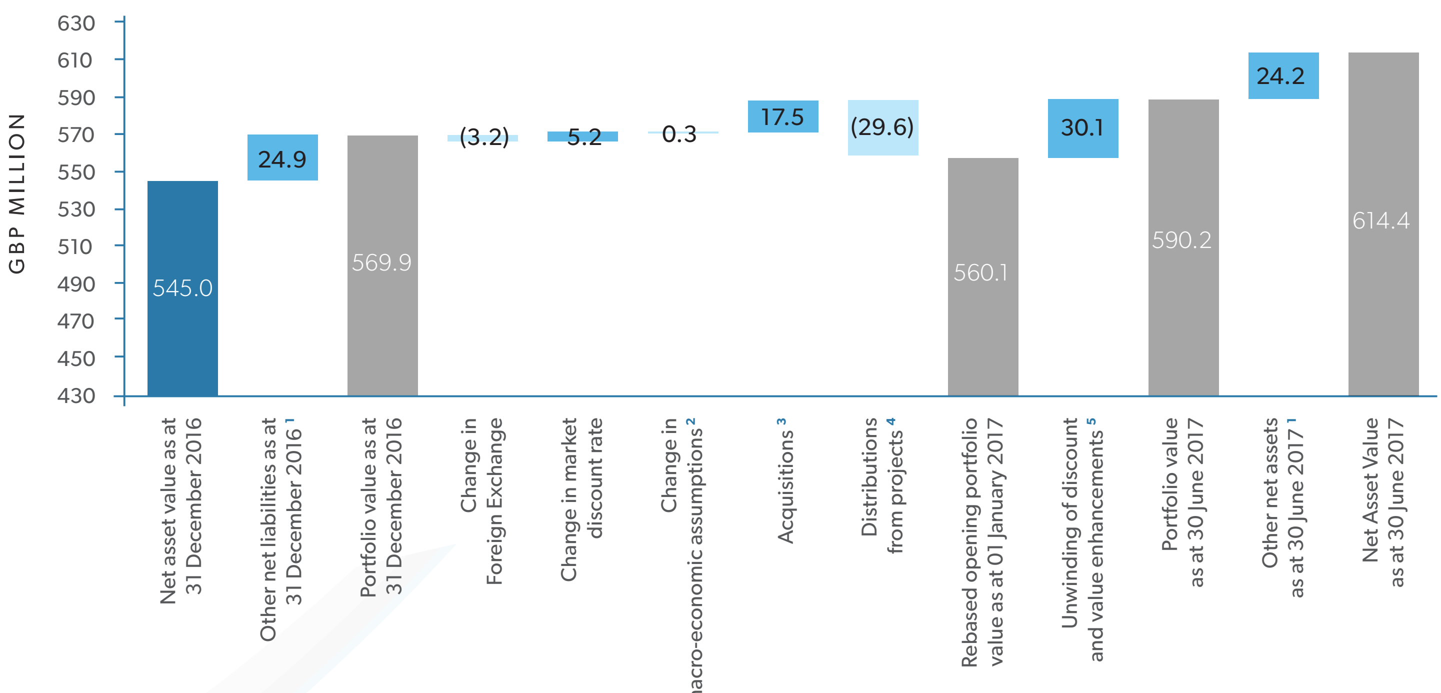
OTHER KEY INPUTS AND ASSUMPTIONS INCLUDE:

- Any deductions or abatements during the operations period are passed down to subcontractors under contractual arrangements.
- Cash flows to and from the project companies are received at the times anticipated.
- Where the operating costs of the Company or its project portfolio are fixed by contract, such contracts are performed, and where such costs are not fixed, they are in line with the budget.
- Contractual payments to the project companies remain on track and are not terminated before their contractual expiry date.

Over the six-month period from 31 December 2016 to 30 June 2017, the Company's Investment Basis NAV increased from £545.0 million to £614.4 million . The increase in NAV per share from 126.1 pence to 128.7 pence or 2.07% is primarily a result of the key drivers listed below.

INVESTMENT BASIS NAV MOVEMENT:

31 DECEMBER 2016 TO 30 JUNE 2017



[1] These figures represent the assets and liabilities of the Group; after excluding the portfolio of project investments and include, amongst other items, the Group's consolidated cash balances and borrowings (where applicable). The closing cash balance is net of the 2016 final dividend paid on 28 June 2017.

[2] Norwegian Corporate tax rate decreased from 25% to 24% in 2017.

[3] MGB equity subscription letter of credit was replaced by a payment to a trustee cash collateral account.

[4] While distributions from projects reduce the portfolio value, they do not have an impact on the Company's NAV. This reduction in the portfolio value is offset by the receipt of a corresponding cash amount at the Group level. The Group cash balance at 30 June 2017 is reflected in graph above under Other net assets.

[5] The value enhancements include the valuation uplift resulting from the Ohio River Bridges (USA) project moving closer to the stable operational phase, and the reduced construction risk of Mersey Gateway Bridge (UK) as it nears construction completion, which is expected in H2 2017.

INVESTMENT BASIS NAV MOVEMENT 31 DECEMBER 2016 TO 30 JUNE 2017	£ MILLION
Net Asset Value at 31 December 2016	545.0
Add back: other net liabilities at 31 December 2016	24.9
Portfolio value at 31 December 2016	569.9
Change in foreign exchange	(3.2)
Change in market discount rate	5.2
Change in macro-economic assumptions	0.3
Acquisitions/follow-on investments	17.5
Distributions from projects	(29.6)
Rebased opening value at 1 January 2017	560.1
Unwinding of discount and value enhancements	30.1
Portfolio value at 30 June 2017	590.2
Other net assets at 30 June 2017	24.2
Net asset value at 30 June 2017	614.4

KEY DRIVERS FOR NAV GROWTH

GROWTH BASED ON REBASED VALUATION

During the period ended 30 June 2017, the Company recognised £30.1 million from both the "unwinding of discounts" and value enhancements. As the Company moves closer to forecast project distribution dates, the time value of those cash flows increases on a net present value basis, which gives rise to the "unwinding of discount" effect. The portfolio value growth from the unwinding of discount during the period was approximately £22.2 million or 3.7% on a NAV per share basis.

The difference, £7.9 million, or 1.3% on a NAV per share basis above the anticipated growth from the unwinding of discount, represents both:

(i) the net effect from higher actual inflation against modelled assumptions and the consequences of an accelerated tax payment on one project against modelled assumptions; and

(ii) the value enhancement through active management, including *inter alia:*

- a valuation uplift resulting from the Ohio River Bridges (USA) project moving closer to the stable operational phase, and the reduced construction risk of Mersey Gateway Bridge (UK) which is expected to complete in H2 2017;
- lower costs achieved on some projects;
- the net effect of earlier than forecast extraction of cash;
- additional income on variation orders;
- the loss realised on the refinancing of Royal Women's Hospital.

The Company also completed an accretive share issue in April.

DISCOUNT RATES AND SENSITIVITY

The discount rates used for individual assets range between 7.20% and 10.10%. The value weighted average discount rate at 30 June 2017 is approximately 7.48% (7.56% at 31 December 2016). This methodology calculates the weighted average based on the value of each project in proportion to the total portfolio value, i.e. based on the net present value of their respective future cash flows.

The decrease in the weighted average discount rate reflects: (i) the net effect of the moderate reduction of discounts rates generally due to the ongoing competitive pressure on secondary market prices as more investment capital, both in the listed and unlisted infrastructure secondary market, is pursuing a limited number of PPP/PFI assets; (ii) the reduction in the Mersey Gateway Bridge project discount rates as construction nears completion; and (iii) the reduction in the Ohio River Bridge project discount rates as the project moves closer to the fully operational phase.

The discount rates used for individual project entities are based on BBGI's knowledge of the market, discussions with advisors and publicly available information on relevant transactions.

We have differentiated the asset classes with respect to discount rates. For stable operational projects, such as typical roads, schools and hospitals, we have applied discount rates at the lower end of the range mentioned above. Further adjustments have been applied to acute hospitals in the UK where a risk premium of 50bps continues to be applied. This reflects the special situation in the UK where public health clients are under cost pressure and are actively looking for savings which has resulted in some large deductions on UK acute hospitals and, consequently, distribution lock ups. BBGI has to date not been affected and the only acute hospital in the BBGI portfolio is the Gloucester Royal Hospital. BBGI also applied a modest-risk premium for complex prison projects to reflect the higher complexity of such projects and has also applied a risk premium on a limited number of other projects to reflect the individual situation.

The following table shows the sensitivity of the Net Asset Value to a change in the discount rate.

DISCOUNT RATE SENSITIVITY[1]	CHANGE IN NET ASSET VALUE 30 JUNE 2017
Increase by 1% to 8.48%	£(53.7) million, i.e. (8.7)%
Decrease by 1% to 6.48%	£62.5 million, i.e. 10.2%

[1] Based on the weighted average discount rate of 7.48%

FOREIGN EXCHANGE AND SENSITIVITY

BBGI values its portfolio of assets by discounting anticipated future cash flows. The present value of these cash flows are converted to Sterling at either the hedged rate, for a predetermined percentage of cash flows forecast to be received over the next four years, or at the reporting period closing rate for unhedged future cash flows. Although the closing rate is the required conversion rate to use, it is not necessarily representative of future exchange rates as it reflects an exchange rate at a specific point in time.

The table below shows those closing rates which were used to convert unhedged future cash flows into the reporting currency at 30 June 2017.

	F/X RATES AS OF 30 JUNE 2017	F/X RATES AS OF 31 DECEMBER 2016
GBP/AUD	1.692	1.714
GBP/CAD	1.688	1.659
GBP/EUR	1.138	1.173
GBP/NOK	10.893	10.665
GBP/USD	1.300	1.234

A significant proportion of the Company's underlying investments are denominated in currencies other than Sterling. The Company maintains its accounts, prepares the valuation and pays distributions in Sterling. Accordingly, fluctuations in exchange rates between Sterling and the relevant local currencies will affect the valuation of the Company's underlying investments. During the period ended 30 June 2017 the net effect of a moderate appreciation of Sterling against the CAD, NOK and USD and a moderate depreciation against the AUD and EUR resulted in a decrease in the portfolio valuation of £3.2 million. Since listing in December 2011, the net cumulative effect of foreign exchange movement on the portfolio value has been an uplift of £3.4 million or 0.6% of NAV at 30 June 2017.

The following table shows the sensitivity of the NAV to a change in foreign exchange rates.

FOREIGN EXCHANGE SENSITIVITY	CHANGE IN NET ASSET VALUE 30 JUNE 2017
Increase by 10% [1]	£(23.7) million, i.e. (3.9)%
Decrease by 10% [1]	£29.0 million, i.e. 4.7%

[1] Sensitivity applied against the foreign exchange rates at 30 June 2017. This sensitivity only applies to unhedged cash flows.

INFLATION SENSITIVITY

The project cash flows are positively correlated with inflation (e.g. RPI or CPI). The table below demonstrates the effect of a change in inflation rates compared to the macroeconomic assumptions in the table above.

INFLATION SENSITIVITY	CHANGE IN NET ASSET VALUE 30 JUNE 2017
Inflation +1% [1]	£35.0 million, i.e. 5.7%
Inflation -1% [1]	£(28.7) million, i.e. (4.7)%

[1] Sensitivity applied against those inflation rates as set out in the macroeconomic assumptions table above.

DEPOSIT RATE SENSITIVITY

The project cash flows are positively correlated with the deposit rates. The table below demonstrates the effect of a change in long-term deposit rates compared to the macroeconomic assumptions above.

DEPOSIT RATE SENSITIVITY	CHANGE IN NET ASSET VALUE 30 JUNE 2017
Long-term deposit rate + 1% [1]	£12.4 million, i.e. 2.0%
Long-term deposit rate - 1% [1]	£(12.4) million, i.e.(2.0)%

[1] Sensitivity applied against those deposit rates as set out in the macroeconomic assumptions table above.

LIFECYCLE COSTS SENSITIVITY

Of the 39 projects in the portfolio, 13 project companies retain the lifecycle obligations. The remaining 26 projects have this obligation passed down to the sub-contractor. Management review project lifecycle budgets on a periodic basis. The table below demonstrates the impact of a change in lifecycle costs.

LIFECYCLE COSTS SENSITIVITY	CHANGE IN NET ASSET VALUE 30 JUNE 2017
Increase by 10% [1]	£(12.2) million, i.e. (2.0)%
Decrease by 10% [1]	£12.2 million, i.e. 2.0%

[1] The sensitivity is applied to the 13 projects within the portfolio which retain the lifecycle obligation, i.e. the obligation is not passed down to the sub-contractor. These projects represent approximately 50% of the total portfolio value as at 30 June 2017.

CORPORATE TAX RATE SENSITIVITY

The table below demonstrates the effect of a change in the project level corporate tax rates.

INFLATION SENSITIVITY	CHANGE IN NET ASSET VALUE 30 JUNE 2017
Corporate tax rate + 5% [1]	£(21.7) million, i.e. (3.5)%
Corporate tax rate - 5% [1]	£21.1 million, i.e. 3.4%

[1] Sensitivity applied against those SPC corporate tax rates as set out in the macroeconomic assumptions table above

The Management and Supervisory Boards have approved the NAV calculation on an Investment Basis as at 30 June 2017.

FINANCIAL RESULTS

The condensed consolidated interim financial statements of the Group for the six months ended 30 June 2017 are on pages 32 to 54.

BASIS OF ACCOUNTING

The Company has prepared its financial statements under IFRS. In accordance with IFRS 10, IFRS 12 and IAS 27, the Company (an Investment Entity) does not consolidate certain subsidiaries, in a similar manner to the Company's pro forma investment basis data, which continue to be included in this section of the Report of the Management Board. As an Investment Entity, the Company does not consolidate its investments in PPP/PFI assets that are subsidiaries on a line-by-line basis, but instead recognises them as investments at fair value through profit or loss.

INCOME AND COSTS

PRO FORMA INCOME STATEMENT

	SIX MONTHS TO 30 JUNE 2017 £ MILLION	SIX MONTHS TO 30 JUNE 2016 £ MILLION
Income from investments at fair value through profit or loss[1]	31.8	56.5
Other operating income	0.5	(6.8)
Operating income	32.3	49.7
Administration expenses and net finance result[2]	(4.3)	(3.6)
Other operating expenses[3]	(0.8)	6.9
Profit before tax	27.2	46.5
Tax expense (income tax)	(1.9)	(0.4)
Profit from continuing operations	25.3	46.1
Basic earnings per share (pence)	5.30	10.66

[1] The income from investments at fair value results from the unwinding of the discount and value enhancements through active asset management.

[2] Includes non-recoverable VAT. Refer to the Corporate cost analysis below for further details on the composition.

[3] Other operating expenses for the period ended 30 June 2017 include acquisition related costs of approximately £0.8 million. Refer to note 5 of the Financial Statements for further detail.

GROUP LEVEL CORPORATE COST ANALYSIS

The table below is prepared on an accruals basis.

CORPORATE COSTS	SIX MONTHS TO 30 JUNE 2017 £ MILLION	SIX MONTHS TO 30 JUNE 2016 £ MILLION
Net finance result	1.1	1.1
Staff costs [1]	1.8	1.5
Fees to non-executive directors	0.1	0.1
Professional fees [2]	0.4	0.3
Office and administration	0.9	0.6
Acquisition-related costs [3]	0.8	0.1
Taxes (including non-recoverable VAT)	1.9	0.4
Total corporate costs	7.0	4.1

[1] The Company is an internally managed AIF with no fees payable to external managers.

[2] The professional fees include audit fees amounting to £0.07 million. There are no non-audit fees incurred during the six-month period in the condensed consolidated interim income statement. Non-audit fees incurred by controlled entities that are not consolidated, thus not included in the condensed consolidated interim income statement, amounted to £0.07 million.

[3] Acquisition costs means those costs incurred as part of the secondary investment acquisition process and primary investment bid submissions. These acquisition-related costs are made up of third-party due diligence, legal and other costs directly related to secondary and primary investment activity during the period to date. The figure includes the acquisition cost related to the SNC-Lavalin acquisition and also unsuccessful bid costs of approximately £0.04 million in the period (period ended 30 June 2016: £0.07 million). Refer also to Note 5 of the Financial Statements.

ONGOING CHARGES

The "Ongoing Charges" ratio was prepared in accordance with the Association of Investment Companies ("AIC") recommended methodology. The ratio represents the annualised reduction or drag in shareholder returns as a result of recurring operational expenses incurred in managing the BBGI Group entities.

The Company is internally managed and as such is not subject to performance fees or acquisition-related fees.

ONGOING CHARGES	ANNUALISED 2017 £ MILLION	2016 £ MILLION
Ongoing Charges	5.8	5.1
Average undiluted net asset value	593.3	515.6
Ongoing Charges (%)	0.98%	0.98%

The ongoing charges of £5.8 million in the table above represents the annualised recurring operational expenses[21] incurred in managing the BBGI Group entities. The ongoing charges ratio was calculated using the AIC methodology and excludes all non-recurring costs, i.e. costs of acquisition/disposal of investments, financing charges and gains/losses arising from investments. The ongoing charges includes an accrual for the Short-Term Incentive Plan ("STIP")/bonuses and the Long-Term Incentive Plan ("LTIP"). BBGI uses some or all of its Euro-denominated distributions from the Group's portfolio of assets to cover a significant portion of the Group's running costs, which are largely Euro-denominated, thereby creating a form of natural hedge.

[21] Based on an twelve month estimate of recurring costs at 30 June 2017

BALANCE SHEET

PRO FORMA BALANCE SHEET

	30 JUNE 2017			31 DECEMBER 2016		
	Investment Basis [1] £ MILLION	Adjust £ MILLION	Consolidated IFRS £ MILLION	Investment Basis £ MILLION	Adjust £ MILLION	Consolidated IFRS £ MILLION
Portfolio value / FVPL investments [2]	590.2	(19.7)	570.5	569.9	--	569.9
Adjustments to investments	--	--	--	--	1.7	1.7
Other assets and liabilities (net) [2, 3]	(5.2)	27.4	22.2	(3.5)	0.6	(2.9)
Net cash/(borrowings) [4]	29.4	(6.8)	22.6	(21.4)	(1.3)	(22.7)
Fair value of derivative financial instruments [5]	--	(5.2)	(5.2)	--	(7.2)	(7.2)
Net assets attributable to ordinary shares	614.4	(4.3)	610.1	545.0	(6.2)	538.8

[1] Under the Investment Basis the Group recognises project distributions once the associated cash flow has been excluded from the portfolio value. Under IFRS a distribution is recognised when the proceeds are received by one of the consolidated Group companies. Management believe that Investment Basis approach provides a clearer measurement of the performance of the underlying project portfolio.

[2] Under IFRS the cash placed on the MGB cash collateral account is accounted for as an Other receivable.

[3] The £27.4 million adjustment is composed mainly of: (i) the £19.7 million MGB cash collateral; and (ii) a £5.1 million ORB project distribution that was made in the period but where the cash was held at the project holding company level at 30 June 2017, a company that is outside of the Group consolidation.

[4] The £6.8 million adjustment is composed mainly of (i) the £5.1million ORB distribution referred to above and (ii) other cash balances not included in the consolidation and also outside of the project valuation.

[5] Under IFRS, the forward currency contracts are presented at fair value. The fair valuation of derivative financial instruments is excluded from the Investment Basis NAV calculation as the Investments at fair value already considers the contracted forward rate of the derivative financial instruments. Management believe that this approach provides a clearer measurement of portfolio performance.

SUMMARY NET CORPORATE CASH FLOW

The table below summarises the cash received by the consolidated Group from the underlying investments net of the cash outflows for the Group level corporate costs. During the period ended 30 June 2017, the Company received, on a consolidated IFRS basis, £26.2 million of distributions from investments at fair value through profit or loss ("FVPL investments"), which was ahead of business plan and the underlying financial models. These distributions were recorded as dividends, interest payments, capital and subordinated debt principal repayments.

	PERIOD ENDED 30 JUNE 2017 £ MILLION	PERIOD ENDED 30 JUNE 2016 £ MILLION
Distributions received from FVPL investments [1]	26.2	29.3
Net cash outflow from operating activities before finance costs [2]	(5.6)	(3.0)
Cash outflow from finance costs (net)	(0.8)	(0.9)
Net cash flow	(19.8)	25.4

[1] Portfolio performance and cash receipts were ahead of the business plan and underlying financial models.

[2] Cash outflow resulting from all Group level corporate costs paid in the period ending 30 June 2017 which includes the impact of foreign currency exchange gain/(loss) on cash and cash equivalents.

MANAGEMENT BOARD RESPONSIBILITIES STATEMENT

The Management Board of the Company is responsible for preparing this half-yearly financial report in accordance with applicable law and regulations. The Management Board confirms that to the best of its knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union; and

- The Chairman's Statement and the Report of the Management Board meet the requirements of an interim management report and include a fair review of the information required by:

  – DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events during the first six months and description of the principal risks and uncertainties for the remaining six months of the year; and

  – DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Luxembourg,
30 August 2017

SIGNATURES

Duncan Ball	Frank Schramm	Michael Denny
Co-CEO	Co-CEO	CFO

INDEPENDENT AUDITOR'S REVIEW REPORT TO BBGI SICAV S.A.

To the Shareholders of
BBGI SICAV S.A.
6E, route de Trèves
L-2633 Senningerberg

REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ
on the review of the condensed consolidated interim financial information

INTRODUCTION

We have reviewed the accompanying condensed consolidated interim statement of financial position of BBGI SICAV S.A. ("the Company") as at 30 June 2017, the condensed consolidated interim income statement, the condensed consolidated interim statements of comprehensive income, of changes in equity and of cash flows for the six month period then ended, and notes to the condensed consolidated interim financial information ("the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as adopted, for Luxembourg, by the Institut des Réviseurs d'Entreprises. 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 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 accompanying condensed consolidated interim financial information as at 30 June 2017 is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Luxembourg, 30 August 2017

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

Emmanuelle Ramponi

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT (UNAUDITED)

IN THOUSANDS OF POUNDS STERLING	NOTE	SIX MONTHS ENDED 30 JUNE 2017	SIX MONTHS ENDED 30 JUNE 2016
Continuing operations			
Income from investments at fair value through profit or loss	7	31,790	56,513
Other operating income	6	481	472
Operating income		32,271	56,985
Administration expenses	4	(3,182)	(2,520)
Other operating expenses	5	(815)	(6,915)
Operating expenses		(3,997)	(9,435)
Results from operating activities		28,274	47,550
Finance cost	11	(1,057)	(1,053)
Finance income		3	8
Net finance result		(1,054)	(1,045)
Profit before tax		27,220	46,505
Tax expense	8	(1,942)	(425)
Profit from continuing operations		25,278	46,080
Profit from continuing operations attributable to owners of the Company		25,278	46,080
Earnings per share			
Basic earnings per share (pence)	10	5.30	10.66
Diluted earnings per share (pence)	10	5.30	10.66

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

IN THOUSANDS OF POUNDS STERLING	SIX MONTHS ENDED 30 JUNE 2017	SIX MONTHS ENDED 30 JUNE 2016
Profit for the period	25,278	46,080
Other comprehensive income for the period	--	--
Total comprehensive income for the period attributable to the owners of the Company	25,278	46,080

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

IN THOUSANDS OF POUNDS STERLING	NOTE	30 JUNE 2017	31 DECEMBER 2016 (AUDITED)
Assets			
Property plant and equipment		54	68
Investments at fair value through profit or loss	7	570,518	569,926
Non-current assets		570,572	569,994
Trade and other receivables	15	26,534	1,897
Other current assets		685	62
Cash and cash equivalents		22,626	22,113
Current assets		49,845	24,072
Total assets		620,417	594,066
Equity			
Share capital	9	503,426	442,680
Additional paid-in capital	15	475	304
Translation reserves	9	(597)	(597)
Retained earnings		106,823	96,397
Equity attributable to owners of the Company		610,127	538,784
Liabilities			
Loans and borrowings	11	--	44,755
Derivative financial instruments	13	2,576	4,327
Non-current liabilities		2,576	49,082
Loans and borrowings	11	--	45
Trade payables		104	145
Derivative financial instruments	13	2,558	2,868
Other payables	12	3,144	2,956
Tax liabilities	8	1,908	186
Current liabilities		7,714	6,200
Total liabilities		10,290	55,282
Total equity and liabilities		620,417	594,066
Net asset value attributable to the owners of the Company	9	610,127	538,784
Net asset value per ordinary share (pence)	9	127.82	124.66

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

IN THOUSANDS OF POUNDS STERLING	NOTE	SHARE CAPITAL	ADDITIONAL PAID-IN CAPITAL	TRANSLATION RESERVES	RETAINED EARNINGS	TOTAL EQUITY
Balance at 1 January 2017 (Audited)	9,15	442,680	304	(597)	96,397	538,784
Total comprehensive income for the six months ended 30 June 2017						
Profit for the period		--	--	--	25,278	25,278
Total comprehensive income for the period		--	--	--	25,278	25,278
Transactions with owners of the Company, recognised directly in equity						
Issuance of shares through placing of ordinary shares – net of issuance cost		57,745	--	--	--	57,745
Cash dividend	9	--	--	--	(11,851)	(11,851)
Scrip dividend	9	3,001	--	--	(3,001)	--
Share-based payment	15	--	171	--	--	171
Balance at 30 June 2017		503,426	475	(597)	106,823	610,127

IN THOUSANDS OF POUNDS STERLING	NOTE	SHARE CAPITAL	ADDITIONAL PAID-IN CAPITAL	TRANSLATION RESERVES	RETAINED EARNINGS	TOTAL EQUITY
Balance at 1 January 2016 (Audited)	9,15	440,259	98	(597)	42,610	482,370
Total comprehensive income for the six months ended 30 June 2016						
Profit for the period		--	--	--	46,080	46,080
Total comprehensive income for the period		--	--	--	46,080	46,080
Transactions with owners of the Company, recognised directly in equity						
Cash dividend	9	--	--	--	(10,667)	(10,667)
Scrip dividend	9	2,245	--	--	(2,245)	--
Share-based payment	15	--	103	--	--	103
Balance at 30 June 2016		442,504	201	(597)	75,778	517,886

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

IN THOUSANDS OF POUNDS STERLING	NOTE	SIX MONTHS ENDED 30 JUNE 2017	SIX MONTHS ENDED 30 JUNE 2016
Cash flows from operating activities			
Profit for the period		25,278	46,080
Adjustments for:			
Depreciation		16	12
Net finance cost (income)		1,054	1,045
Income from investments at fair value through profit or loss	7	(31,790)	(56,513)
Change in fair value of derivative financial instruments	5	(62)	6,767
Share-based compensation	15	171	103
Income tax expense		1,942	425
Foreign currency exchange loss/(gain)	5	60	(472)
		(3,331)	(2,553)
Changes in:			
- Trade and other receivables		77	(81)
- Other assets		(244)	(37)
- Trade and other payables		82	(521)
Cash generated from operating activities		(3,416)	(3,192)
Finance cost paid		(823)	(866)
Interest received		3	8
Realised gain/(loss) on derivative financial instruments	13	(1,999)	(105)
Taxes paid		(220)	(328)
Net cash flows from operating activities		(6,455)	(4,483)
Cash flows from investing activities			
Acquisition of /additional investments in investments at fair value through profit or loss	7	--	(9,525)
Distributions received from investments at fair value through profit or loss	7	26,168	29,286
Deposits made on cash collateral account of a project	15	(19,684)	--
Acquisition of other equipment		(2)	(13)
Net cash flows from investing activities		6,482	19,748
Cash flows from financing activities			
Proceeds from issuance of ordinary shares through placing – net of share issuance cost	9	57,745	--
Dividends paid	9	(11,851)	(10,667)
Payment of loans and borrowings	11	(45,221)	--
Loan issuance cost	11	(192)	(180)
Net cash flows from financing activities		481	(10,847)
Net increase/(decrease) in cash and cash equivalents		508	4,418
Impact of foreign currency exchange gain/(loss) on cash and cash equivalents		5	625
Cash and cash equivalents at 1 January		22,113	23,243
Cash and cash equivalents at 30 June		22,626	28,286

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

NOTE 01. REPORTING ENTITY

BBGI SICAV S.A. ("BBGI", or the "Company" or, together with its consolidated subsidiaries, the "Group") is an investment company incorporated in Luxembourg in the form of a public limited company (société anonyme) with variable share capital (société d'investissement à capital variable, or "SICAV") and regulated by the Commission de Surveillance du Secteur Financier ("CSSF") under Part II of the Luxembourg Law of 17 December 2010 on undertakings for collective investments with an indefinite life. The Company qualifies as an alternative investment fund within the meaning of Article 1 (39) of the law of 12 July 2013 on Alternative Investment Fund Managers ("2013 Law") implementing Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 and is authorised as an internal alternative investment fund manager in accordance with Chapter 2 of the 2013 Law. The Company was admitted to the official list of the UK Listing Authority (premium listing, closed-ended investment fund) and to trading on the main market of the London Stock Exchange on 21 December 2011.

The Company's registered office is EBBC, 6E, route de Trèves, L-2633 Senningerberg, Luxembourg.

The Company is a closed-ended investment company that invests principally in a diversified portfolio of Public Private Partnership ("PPP")/ Private Finance Initiative ("PFI") infrastructure or similar assets. The Company has limited investment in projects that are under construction.

As at 30 June 2017, the Group employed 18 staff (30 June 2016: 16 staff).

REPORTING PERIOD

The Company's reporting period runs from 1 January to 31 December each year. The Company's condensed consolidated interim statement of financial position, condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income and condensed consolidated interim statement of cash flows include comparative figures as at 31 December 2016 or for the six months ended 30 June 2016.

The amounts presented as 'non-current' in the condensed consolidated interim statement of financial position are those expected to be settled after more than one year. The amounts presented as 'current' are those expected to be settled within one year.

These condensed consolidated interim financial statements were approved by the Management Board on 29 August 2017.

NOTE 02. BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

The condensed consolidated interim financial statements of the Company have been prepared in accordance with IAS 34 *Interim Financial Reporting* in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union, and do not include all information required for full annual financial statements.

CHANGES IN ACCOUNTING POLICY

The accounting policies, measurement and valuation principles applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its annual consolidated financial statements as of and for the year ended 31 December 2016.

BASIS OF MEASUREMENT

These condensed consolidated interim financial statements have been prepared on the historical cost basis, except for derivative financial instruments and investments at fair value through profit or loss ("FVPL investments"), which are reflected at fair value.

FUNCTIONAL AND PRESENTATION CURRENCY

These condensed consolidated interim financial statements are presented in Sterling, the Company's functional currency.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires the Management Board to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the process of applying the Group's accounting policies, the Management Board has made the following judgments that have the most significant effect on the amounts recognised in the condensed consolidated interim financial statements.

The Company as an Investment Entity

The Management Board has assessed that the Company is an Investment Entity in accordance with the provisions of IFRS 10. The Company meets the following criteria to qualify as an Investment Entity:

a. *Obtains funds from one or more investors for the purpose of providing those investors with investment management services:*
The Group is internally managed with management focused solely on managing those funds received from its shareholders in order to maximise investment income/returns.

b. *Commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both:*
The investment objectives of the Company are to:
   - Provide investors with secure and highly predictable long-term cash flows whilst actively managing the investment portfolio with the intention of maximising the capital value over the long term.
   - Target a dividend of 6.50 pence per share per annum. The Company will aim to increase this distribution progressively over the longer term.
   - Target an IRR in the region of 7% to 8% on the £1 IPO issue price of its ordinary shares, to be achieved over the longer term via active management, to enhance the value of existing investments.

   The above-mentioned objectives support the fact that the main business purpose of the Company is to seek to maximise investment income for the benefit of its shareholders.

c. *Measures and evaluates performance of substantially all of its investments on a fair value basis:*
The investment policy of the Company is to invest in equity, subordinated debt or similar interests issued in respect of infrastructure projects that have been developed predominantly under the PPP/PFI or similar procurement models. Each of these PPP/PFI projects is valued at fair value. The valuation is carried out on a six-monthly basis as at 30 June and 31 December each year.

Based on the Management Board's assessment, the Company also meets the typical characteristics of an Investment Entity as follows:

a. *it has more than one investment*—as at 30 June 2017, the Company has 39 PPP/PFI investments;
b. *it has more than one investor*—the Company is listed on the London Stock Exchange with its shares widely held by a broad pool of investors;
c. *it has investors that are not related parties of the entity*— other than those shares held by the Supervisory Board and Management Board directors, and certain other employees, all remaining shares in issue (more than 99%) are held by non-related parties of the Company; and
d. *it has ownership interests in the form of equity or similar interests*—the Group holds interests in PPP/PFI projects in the form of equity interests, subordinated debt and similar instruments.

Fair valuation of financial assets and financial liabilities

The Group accounts for its investments in PPP/PFI entities ("SPC" or "Project Entities") as FVPL investments.

The valuation is determined using the discounted cash flow methodology. The cash flows forecast to be received by the Company or its consolidated subsidiaries, generated by each of the underlying assets, and adjusted as appropriate to reflect the risk and opportunities, have been discounted using project specific discount rates. The valuation methodology is the same one used in previous reporting periods.

The fair value of other financial assets and liabilities, other than current assets and liabilities, is determined by discounting future cash flows at an appropriate discount rate and with reference to recent market transactions, where appropriate. Further information on assumptions and estimation uncertainties are disclosed in Note 13.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs in the valuation methodology, as follows:

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

If the inputs to measure fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety at the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of fair value hierarchy at the end of the reporting period in which the change has occurred.

GOING CONCERN BASIS OF ACCOUNTING

The Management Board has examined significant areas of possible financial risk including cash and cash requirements. It has not identified any material uncertainties which would cast significant doubt on the Company's ability to continue as a going concern for a period of not less than 12 months from the date of approval of the condensed consolidated interim financial statements. The Management Board has satisfied itself that the Company has adequate resources to continue in operational existence for the foreseeable future. After due consideration, the Management Board believes it is appropriate to adopt the going concern basis of accounting in preparing the condensed consolidated interim financial statements.

NOTE 03. SEGMENT REPORTING

IFRS 8 – Operating Segments adopts a "through the eyes of the management" approach to an entity's reporting of information relating to its operating segments, and also requires an entity to report financial and descriptive information about its reportable segments.

Based on a review of information provided to the Management Board, the Group has identified five reportable segments based on the geographical concentration risk. The main factor used to identify the Group's reportable segments is the geographical location of the projects. The Management Board has concluded that the Group's reportable segments are: (1) UK; (2) Mainland Europe; (3) Australia; (4) North America; and (5) Holding Activities. These reportable segments are the basis on which the Group reports information to the Management Board.

Segment information for the six months ended 30 June 2017 is presented below:

IN THOUSANDS OF POUNDS STERLING	UK	CONTINENTAL EUROPE	AUSTRALIA	NORTH AMERICA	HOLDING ACTIVITIES	TOTAL GROUP
Income from FVPL investments	16,583	3,035	5,617	6,555	--	31,790
Administration expenses	--	--	--	--	(3,182)	(3,182)
Other operating expenses – (net)	--	--	--	--	(334)	(334)
Results from operating activities	16,583	3,035	5,617	6,555	(3,516)	28,274
Finance cost	--	--	--	--	(1,057)	(1,057)
Finance income	--	--	--	--	3	3
Tax expense	--	--	--	--	(1,942)	(1,942)
Profit or loss from continuing operations	16,583	3,035	5,617	6,555	(6,512)	25,278

Segment information for the six months ended 30 June 2016 is presented below:

IN THOUSANDS OF POUNDS STERLING	UK	CONTINENTAL EUROPE	AUSTRALIA	NORTH AMERICA	HOLDING ACTIVITIES	TOTAL GROUP
Income from FVPL investments	6,679	6,669	12,115	31,050	--	56,513
Administration expenses	--	--	--	--	(2,520)	(2,520)
Other operating expenses – (net)	--	--	--	--	(6,443)	(6,443)
Results from operating activities	6,679	6,669	12,115	31,050	(8,963)	47,550
Finance cost	--	--	--	--	(1,053)	(1,053)
Finance income	--	--	--	--	8	8
Tax expense	--	--	--	--	(425)	(425)
Profit or loss from continuing operations	6,679	6,669	12,115	31,050	(10,433)	46,080

Segment information as at 30 June 2017 is presented below:

IN THOUSANDS OF POUNDS STERLING	UK	CONTINENTAL EUROPE	AUSTRALIA	NORTH AMERICA	HOLDING ACTIVITIES	TOTAL GROUP
Assets						
FVPL investments	226,676	50,268	109,310	184,264	--	570,518
Other non-current assets	--	--	--	--	54	54
Current assets	--	--	--	--	49,845	49,845
Total assets	226,676	50,268	109,310	184,264	49,899	620,417
Liabilities						
Non-current	--	--	--	--	2,576	2,576
Current	--	--	--	--	7,714	7,714
Total liabilities	--	--	--	--	10,290	10,290

Segment information as at 31 December 2016 is presented below:

IN THOUSANDS OF POUNDS STERLING	UK	NORTH AMERICA	AUSTRALIA	MAINLAND EUROPE	HOLDING ACTIVITIES	TOTAL GROUP
Assets						
FVPL investments	221,522	188,371	108,671	51,362	-	569,926
Other non-current assets	--	--	--	--	68	68
Current assets	--	--	--	--	24,072	24,072
Total assets	221,522	188,371	108,671	51,362	24,140	594,066
Liabilities						
Non-current	--	--	--	--	49,082	49,082
Current	--	--	--	--	6,200	6,200
Total liabilities	--	--	--	--	55,282	55,282

The Holding Activities of the Group include the activities of the Group which are not specifically related to a certain project or region but to those companies which provide services to the Group. The total current assets classified under Holding Activities mainly represent cash and cash equivalents.

Transactions between reportable segments are conducted at arm's length and are accounted for in a similar way to the basis of accounting used for third parties. The accounting methods used for all the segments are similar and comparable with those of the Company.

NOTE 04. ADMINISTRATION EXPENSES

IN THOUSANDS OF POUNDS STERLING	SIX MONTHS ENDED 30 JUNE 2017	SIX MONTHS ENDED 30 JUNE 2016
Personnel expenses	1,841	1,549
Legal and professional fees	447	320
Other expenses	894	651
	3,182	2,520

The Group has engaged certain third parties to provide legal, depositary, custodian, audit, tax and other services to the Group. The expenses incurred in relation to such services are treated as administration expenses.

The legal and professional fees include audit, audit related and non-audit related fees charged by the Group's external auditor as follows:

IN THOUSANDS OF POUNDS STERLING	SIX MONTHS ENDED 30 JUNE 2017	SIX MONTHS ENDED 30 JUNE 2016
Audit fees	67	79
Audit related fees	--	--
Non-audit related fees	--	--
	67	79

NOTE 05. OTHER OPERATING EXPENSES

IN THOUSANDS OF POUNDS STERLING	SIX MONTHS ENDED 30 JUNE 2017	SIX MONTHS ENDED 30 JUNE 2016
Acquisition-related costs	755	148
Foreign currency exchange loss	60	--
Net loss on derivative financial instruments (see Note 13)	--	6,767
	815	6,915

Acquisition costs means those costs incurred as part of the secondary investment acquisition process and primary investment bid submissions. These acquisition-related costs are made up of third-party due diligence, legal and other costs directly related to secondary and primary investment activity during the period to date (see Note 7). The figure includes unsuccessful bid costs of approximately £40,000 in the six months ended 30 June 2017 (period ended 30 June 2016: £68,000).

NOTE 06. OTHER OPERATING INCOME

IN THOUSANDS OF POUNDS STERLING	SIX MONTHS ENDED 30 JUNE 2017	SIX MONTHS ENDED 30 JUNE 2016
Foreign currency exchange gain	--	472
Net gain on derivative financial instruments (see Note 13)	62	--
Other income	419	--
	481	472

NOTE 7. FVPL INVESTMENTS

The movements of FVPL investments are as follows:

IN THOUSANDS OF POUNDS STERLING	30 JUNE 2017	31 DECEMBER 2016
Balance at 1 January	569,926	504,776
Acquisitions of/additional investment in FVPL investments	--	9,525
Income from FVPL investments	31,790	99,523
Distributions received	(26,168)	(42,514)
Reclassification to other receivables	(5,030)	(1,384)
	570,518	569,926

The impact of unrealised foreign exchange gains or losses on the income from FVPL investments for the period ended 30 June 2017 amounted to a £3.2 million loss (year ended 31 December 2016: £51.2 million gain).

Distributions from FVPL Investments are received after: (a) financial models have been tested for compliance with certain ratios; (b) financial models have been submitted to the external lenders of the Project Entities; or (c) approvals of the external lenders on the financial models have been obtained.

As at 30 June 2017 and 31 December 2016, loan and interest receivable from unconsolidated subsidiaries is embedded within the FVPL Investments.

The valuation of FVPL Investments considers all future cash flows related to individual projects.

Interest income, dividend income, project-related directors' fee income and other income recorded under the accruals basis at the level of the consolidated subsidiaries for the six months ended 30 June 2017, amounted to £24,301,000 (year to 31 December 2016: £44,942,000). The associated cash flows from these items were taken into account when valuing the projects.

In June 2016, the Company signed a strategic agreement with a subsidiary of SNC-Lavalin Group Inc. (TSX ticker: SNC) ("SNC-Lavalin") to acquire substantial equity interests in five PPP projects in Canada. All assets are operational and classified as availability-based under the investment policy of the Company.

The acquisition of the interests in four operational assets mentioned above is expected to occur in the second half of 2017. The interest in one project is expected to occur at a later date subject to a number of project-specific conditions precedent being satisfied. The agreed total cash consideration payable by the Company for the five initial project interests is expected to be up to CAD 189 million, which will be funded from the Company's existing cash resources and drawings under its extended credit facility.

NOTE 8. TAXES

A significant portion of the profit before tax results from fair valuation of FVPL investments. The net income of the unconsolidated subsidiaries is taxed in their respective jurisdictions. As a consequence of the adoption of IFRS 10, the Company is classified as an Investment Entity (see Note 2), meaning the tax expenses of the unconsolidated subsidiaries are not included within these condensed consolidated interim financial statements. Therefore, the consolidated tax expense and tax assets/liabilities, if any, do not include those of the Project Entities. The tax liabilities of the Project Entities are reflected within the fair value calculation of the FVPL investments.

The Company pays an annual subscription tax amounting to 0.05% of its total net assets. For the six months ended 30 June 2017, BBGI SICAV S.A. incurred a subscription tax expense of £143,000 (30 June 2016: £121,000). The Company as a SICAV is not subject to taxes on capital gains or income. All other consolidated companies are subject to taxation at the applicable rate in their respective jurisdictions.

There are no unrecognised taxable temporary differences. The Group did not recognise any deferred tax asset on tax losses carried forward.

NOTE 9. CAPITAL AND RESERVES

SHARE CAPITAL

Changes in the Company's share capital are as follows:

IN THOUSANDS OF POUNDS STERLING	30 JUNE 2017	31 DECEMBER 2016
Share capital as at 1 January	442,680	440,259
Issuance of ordinary shares through placing	58,533	--
Share issuance cost on the placing	(788)	--
Share capital issued through scrip dividend	3,001	2,421
	503,426	442,680

The changes in the number of ordinary shares of no par value issued by the Company are as follows:

IN THOUSANDS OF SHARES	30 JUNE 2017	31 DECEMBER 2016
In issue at beginning of the period/year	432,216	430,393
Shares issued through placing of ordinary shares	43,039	--
Shares issued through scrip dividend	2,093	1,823
	477,348	432,216

During April 2017, the Company raised gross proceeds of £58.5 million through a placing of 43,039,300 new ordinary shares of no par value ('Placing'). The Placing price was 136.0 pence per Placing share. The proceeds of the Placing were used to repay the amounts drawn on the RCF (see Note 11) and also to part finance the Mersey Gateway Bridge project cash collateral account (see Note 15).

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company.

TRANSLATION RESERVE

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity except for exchange differences from intragroup monetary items which are reflected in the profit and loss. The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

DIVIDENDS

The final 2016 dividend declared by the Company during the six months ended 30 June 2017 was as follows:

IN THOUSANDS OF POUNDS STERLING EXCEPT AS OTHERWISE STATED	SIX MONTHS ENDED 30 JUNE 2017
Final dividend of 3.125 pence per qualifying ordinary share – for the year ended 31 December 2016	14,852

The 31 December 2016 final dividend was paid during June 2017. The value of the scrip election was £3,001,000, with the remaining amount of £11,851,000 paid in cash to those investors that did not elect for the scrip.

The final 2015 dividend declared by the Company during the six months ended 30 June 2016 was as follows:

IN THOUSANDS OF POUNDS STERLING EXCEPT AS OTHERWISE STATED	SIX MONTHS ENDED 30 JUNE 2016
Final dividend of 3.00 pence per qualifying ordinary share – for the year ended 31 December 2015	12,912

The 31 December 2015 final dividend was paid in June 2016. The value of the scrip election was £2,245,000, with the remaining amount of £10,667,000 paid in cash to those investors that did not elect for the scrip.

NET ASSET VALUE

The consolidated net asset value and net asset value per share as at 30 June 2017, 31 December 2016 and 31 December 2015 are as follows:

IN THOUSANDS OF POUNDS STERLING/PENCE	30 JUNE 2017	31 DECEMBER 2016	31 DECEMBER 2015
Net asset value attributable to the owners of the Company	610,127	538,784	482,370
Net asset value per ordinary share (pence)	127.82	124.66	112.08

NOTE 10. EARNINGS PER SHARE

The basic and diluted earnings per share are calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding.

IN THOUSANDS OF POUNDS STERLING/SHARES	SIX MONTHS ENDED 30 JUNE 2017	SIX MONTHS ENDED 30 JUNE 2016
Profit attributable to ordinary shareholders	25,278	46,080
Weighted average number of ordinary shares in issue	477,348	432,092
Basic and diluted earnings per share (in pence)	5.30	10.66

The weighted average number of shares outstanding for the purpose of computation of earnings per share is computed as follows:

IN THOUSANDS OF SHARES	SIX MONTHS ENDED 30 JUNE 2017	SIX MONTHS ENDED 30 JUNE 2016
Shares outstanding as at 1 January	432,216	430,393
Effect of shares issued on placing of ordinary shares	43,039	--
Effect of scrip dividends issued	2,093	1,699
Weighted average – outstanding shares	477,348	432,092

Shares issued via scrip dividends and during placing have participation rights on all the profits or losses of the Group for the full six months ended 30 June 2017. The denominator for the purposes of calculating both basic and diluted earnings per share is the same because the Company has not issued any share options or other instruments that would cause dilution.

NOTE 11. LOANS AND BORROWINGS

The Company has a three-year revolving credit facility from ING Bank and KfW IPEX-Bank ("RCF"). In June 2017, the Company utilised the remaining part of the accordion tranche provision, a commitment increase mechanism within the RCF, to increase the total commitment from £110 million to £180 million. The term of the facility is three years expiring in January 2018. The borrowing margin is 185 basis points over LIBOR.

As at 30 June 2017, the Company had utilised £5.6 million of the £180 million RCF (31 December 2016: utilised £70.3 million of the £110 million RCF) to cover letters of credit (31 December 2016: £25.1 million). There were no cash borrowings under the RCF as at 30 June 2017.

The Company repaid the previously drawn amount of £45.2 million during April 2017 using some of the proceeds of the Placing (see Note 9). There is no interest payable under the RCF as at 30 June 2017 (31 December 2016: £45,000).

The unamortised debt issuance cost related to the RCF amounted to £379,000 as at 30 June 2017 (31 December 2016: £466,000). The Company incurred additional loan issuance cost during the period amounting to £192,000. The unamortised debt issuance cost is currently presented as other current asset in the condensed consolidated interim statement of financial position as there were no drawn outstanding amount under the RCF (31 December 2016: netted against the cash amount drawn under the RCF).

The total finance cost incurred in relation to the RCF for the six months ended 30 June 2017 amounted to £1,057,000 (30 June 2016: £1,053,000). The total finance cost for the six months ended 30 June 2017 includes the amortisation of the debt issue cost of £279,000 (30 June 2016: 199,000).

PLEDGES AND COLLATERALS

As at 30 June 2017 and 31 December 2016, the Group has pledged all the current and future assets held within the consolidated subsidiaries to the RCF lending banks.

NOTE 12. OTHER PAYABLES

Other payables are composed of the following:

IN THOUSANDS OF POUNDS STERLING	30 JUNE 2017	31 DECEMBER 2016
Accruals	3,057	2,823
Others	87	133
	3,144	2,956

NOTE 13. FAIR VALUE MEASUREMENTS

The fair values of financial assets and liabilities, together with the carrying amounts shown in the condensed consolidated interim statement of financial position, are as follows:

30 JUNE 2017

IN THOUSANDS OF POUNDS STERLING	Fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount	Fair value
Assets					
FVPL investments	570,518	--	--	570,518	570,518
Trade and other receivables	--	26,534	--	26,534	26,534
Cash and cash equivalents	22,626	--	--	22,626	22,626
	593,144	26,534	--	619,678	619,678
Liabilities					
Derivative financial instruments	5,134	--	--	5,134	5,134
Trade payables	--	--	104	104	104
Other payables	--	--	3,144	3,144	3,144
	5,134	--	3,248	8,382	8,382

31 DECEMBER 2016

IN THOUSANDS OF POUNDS STERLING	Fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount	Fair value
Assets					
FVPL investments	569,926	--	--	569,926	569,926
Trade and other receivables	--	1,897	--	1,897	1,897
Cash and cash equivalents	22,113	--	--	22,113	22,113
	592,039	1,897	--	593,936	593,936
Liabilities					
Loans and borrowings	--	--	44,800	44,800	45,266
Derivative financial instruments	7,195	--	--	7,195	7,195
Trade payables	--	--	145	145	145
Other payables	--	--	2,956	2,956	2,956
	7,195	--	47,901	55,096	55,562

FVPL INVESTMENTS

The valuation of FVPL investments is carried out on a six monthly basis as at 30 June and 31 December each year. An independent third-party valuer reviews this portfolio valuation.

The valuation is determined using the discounted cash flow methodology. The cash flows forecast to be received by the Company or its subsidiaries, generated by each of the underlying assets and adjusted as appropriate to reflect the risk and opportunities, are discounted using project specific discount rates. The valuation methodology is the same one used for the valuation of the portfolio in previous reporting periods.

During the valuation process, the Group uses certain macroeconomic assumptions for the cash flows as shown below:

MACROECONOMIC ASSUMPTIONS

END OF PERIOD	2017	2018–2020	2021–ONWARDS
UNITED KINGDOM			
Indexation (%) [1]	1.75	2.75	2.75
Deposit Interest Rate (%)	1.0	1.0	2.5
SPC Corporate Tax (%) [9]	19.0	19.0	17.0
CANADA			
Indexation (%) [1,2]	1.00/1.35	2.00/2.35	2.00/2.35
Deposit Interest Rate (%)	1.0	1.0	2.5
SPC Corporate Tax (%) [3]	27.0/26.0/26.5	27.0/26.0/26.5	27.0/26.0/26.5
GBP/CAD as at 30 June 2017 [4]	1.688	1.688	1.688
AUSTRALIA			
Indexation (%) [1,5]	1.50	2.50	2.50
Deposit Interest Rate (%) [6]	3.50/4.50	3.50/4.50	3.50/4.50
SPC Corporate Tax (%)	30.0	30.0	30.0
GBP/AUD as at 30 June 2017 [4]	1.692	1.692	1.692
GERMANY			
Indexation (%) [1]	1.00	2.00	2.00
Deposit Interest Rate (%)	1.0	1.0	2.5
SPC Corporate Tax (%) [7]	15.8	15.8	15.8
GBP/EUR as at 30 June 2017 [4]	1.138	1.138	1.138
NORWAY			
Indexation (%) [1,8]	1.94	2.94	2.94
Deposit Interest Rate (%)	1.8	1.8	3.5
SPC Corporate Tax (%)	24.0	24.0	24.0
GBP/NOK as at 30 June 2017 [4]	10.893	10.893	10.893
UNITED STATES OF AMERICA			
Indexation (%) [1,10]	1.50	2.50	2.50
Deposit Interest Rate (%)	1.0	1.0	2.5
SPC Federal Tax (%)	35.0	35.0	35.0
GBP/USD as at 30 June 2017 [4]	1.300	1.300	1.300

[1] The lower 2017 inflation rate is applicable for projects for which the documentation does not prescribe the actual published rate, if available, to be used for the next 12 months from the date of the index being published.

[2] All Canadian projects have a long-term 2.0% indexation factor with the exception of Northeast Stoney Trail and Northwest Anthony Henday Drive, each of which have a slightly different indexation factor derived from a basket of regional labour, CPI and commodity indices.

[3] The tax rate is 27% in Alberta and Saskatchewan, 26% in British Columbia and 26.5% in Ontario.

[4] As published on www.oanda.com.

[5] Long-term Consumer Price Index 2.50% and Long-term Labour Price Index 3.50%.

[6] Cash on Debt Service Reserve Accounts and Maintenance Service Reserve Accounts can be invested on a six-month basis. All other funds are assumed to be deposited on a shorter term.

[7] Including Solidarity charge and excluding Trade tax that varies between communities.

[8] Indexation of revenue based on basket of four specific indices.

[9] UK Corporate tax rate to decrease from 19% to 17% in 2020.

[10] 80% of ORB indexation factor for revenue is contractually fixed and is not tied to CPI.

OTHER KEY INPUTS AND ASSUMPTIONS INCLUDE:

- Any deductions or abatements during the operations period are passed down to subcontractors.
- Cash flows to and from the project companies are received at the times anticipated.
- Where the operating costs of the Company or its project portfolio are fixed by contract, such contracts are performed, and where such costs are not fixed, they are in line with the budget.
- Contractual payments to the project companies remain on track and are not terminated before their contractual expiry date.

DISCOUNT RATE SENSITIVITY

The discount rates used for individual assets range between 7.2% and 10.10%. The value weighted average rate is approximately 7.48% (7.56% at 31 December 2016). This methodology calculates the weighted average based on the value of each project in proportion to the total portfolio value, i.e. based on the net present value of their respective future cash flows.

The discount rates used for individual project entities are based on BBGI's knowledge of the market, discussions with advisors and publicly available information on relevant transactions.

The following table shows the sensitivity of the FVPL investments to a change in the discount rate:

	+1% TO 8.48% IN 2017		−1% TO 6.48% IN 2017	
EFFECTS IN THOUSANDS OF POUNDS STERLING	EQUITY	PROFIT OR LOSS	EQUITY	PROFIT OR LOSS
30 June 2017	(53,652)	(53,652)	62,479	62,479
31 December 2016	(52,649)	(52,649)	61,377	61,377

FOREIGN EXCHANGE RATE SENSITIVITY

A significant proportion of the Company's underlying investments are denominated in currencies other than Pounds Sterling. The Company maintains its accounts, prepares the valuation and pays distributions in Pounds Sterling. Accordingly, fluctuations in exchange rates between Pounds Sterling and the relevant local currencies will affect the value of the Company's underlying investments.

The following table shows the sensitivity of the FVPL investments due to a change in foreign exchange rates compared to the macroeconomic assumptions above:

	INCREASE BY 10%		DECREASE BY 10%	
EFFECTS IN THOUSANDS OF POUNDS STERLING	EQUITY	PROFIT OR LOSS	EQUITY	PROFIT OR LOSS
30 June 2017	(23,726)	(23,726)	28,999	28,999
31 December 2016	(27,913)	(27,913)	34,116	34,116

Sensitivity applied against the foreign exchange rates at 30 June 2017. This sensitivity only applies to unhedged cash flows.

INFLATION SENSITIVITY

The project cash flows are correlated with inflation (e.g. RPI or CPI). The table below demonstrates the effect of a change in inflation rates compared to the macroeconomic assumptions above:

	+1%		-1%	
EFFECTS IN THOUSANDS OF POUNDS STERLING	EQUITY	PROFIT OR LOSS	EQUITY	PROFIT OR LOSS
30 June 2017	34,989	34,989	(28,697)	(28,697)
31 December 2016	31,535	31,535	(27,022)	(27,022)

Sensitivity applied against those inflation rates as set out in the macroeconomic assumptions table above.

DEPOSIT RATE SENSITIVITY

The project cash flows are positively correlated with the deposit rates. The table below demonstrates the effect of a change in long-term deposit rates compared to the macroeconomic assumptions above:

	+1%		-1%	
EFFECTS IN THOUSANDS OF POUNDS STERLING	EQUITY	PROFIT OR LOSS	EQUITY	PROFIT OR LOSS
30 June 2017	12,381	12,381	(12,363)	(12,363)
31 December 2016	11,832	11,832	(11,749)	(11,749)

Sensitivity applied against those long-term deposit rates as set out in the macroeconomic assumptions table above.

LIFECYCLE COSTS SENSITIVITY

Of the 39 projects in the portfolio, 13 project companies retain the lifecycle obligations. The remaining 26 projects have this obligation passed down to the sub-contractor. The table below demonstrates the impact of a change in lifecycle costs.

	INCREASE BY 10%		DECREASE BY 10%	
EFFECTS IN THOUSANDS OF POUNDS STERLING	EQUITY	PROFIT OR LOSS	EQUITY	PROFIT OR LOSS
30 June 2017	(12,216)	(12,216)	12,229	12,229
31 December 2016	(13,445)	(13,445)	13,200	13,200

The sensitivity is applied to the 13 projects within the portfolio which retain the lifecycle obligation, i.e. the obligation is not passed down to the sub-contractor. These projects represent approximately 50% of the total portfolio value as at 30 June 2017.

DERIVATIVE FINANCIAL INSTRUMENTS

The fair value of derivative financial instruments ("foreign exchange forwards") is calculated by discounting the difference between the future settlement amount due to the difference between the contractual forward rate and the estimated forward exchange rates at the maturity of the forward contract. The foreign exchange forwards are fair valued periodically. The fair value of derivative financial instruments as of 30 June 2017 amounted to £5,134,000 - liability (31 December 2016: £7,195,000 – liability).

The unrealised gain on the valuation of foreign exchange forwards for the six months ended 30 June 2017 amounted to £62,000 (30 June 2016: £6,662,000 – unrealised loss). For the period ended 30 June 2017, the realised loss from these derivative financial instruments amounted to £1,999,000 (30 June 2016: £105,000 – realised loss).

OTHER ITEMS

The carrying amounts of cash and cash equivalents, receivables and payables that are payable within one year, or on demand, are assumed to be their respective fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

The following table shows the grouping of assets/(liabilities) recognised at fair value under their respective levels as at 30 June 2017:

IN THOUSANDS OF POUNDS STERLING	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
FVPL investment	--	--	570,518	570,518
Derivative financial asset/(liability)	--	(5,134)	--	(5,134)

The following table shows the grouping of assets/(liabilities) recognised at fair value in different levels as at 31 December 2016:

IN THOUSANDS OF POUNDS STERLING	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
FVPL investment	--	--	569,747	569,747
Derivative financial asset/(liability)	--	(7,195)	--	(7,195)

The following table shows a reconciliation of the movements in the fair value measurements in level 3 of the fair value hierarchy:

IN THOUSANDS OF POUNDS STERLING	30 JUNE 2017	31 DECEMBER 2016
Balance at 1 January	569,926	504,776
Acquisitions of/additional investment in FVPL investments	--	9,525
Income from FVPL investments	31,790	99,523
Distributions received	(26,168)	(42,514)
Reclassification to other receivables	(5,030)	(1,384)
	570,518	569,926

The impact of unrealised foreign exchange gains or losses on the FVPL investments for the period ended 30 June 2017 amounted to a £3.2 million loss (year ended 31 December 2016: £51.2 million gain).

NOTE 14. SUBSIDIARIES ESTABLISHED

The Group has established the below legal entity, which is included in the consolidation:

COMPANY NAME	PURPOSE	PLACE OF INCORPORATION	EFFECTIVE OWNERSHIP INTEREST	YEAR ACQUIRED/ ESTABLISHED
BBGI LP Invest Can Inc.	Holding entity	Canada	100%	2017

The Group has established the below legal entities, which are not included in the consolidation due to the Investment Entity exemption (see Note 2):

COMPANY NAME	PURPOSE	PLACE OF INCORPORATION	EFFECTIVE OWNERSHIP INTEREST	YEAR ACQUIRED/ ESTABLISHED
BBGI GHIB LP Inc	Holding entity	Canada	100%	2017
BBGI GHIB LP	Holding entity	Canada	100%	2017

Other than the above, no further subsidiaries were acquired/established during the six months ended 30 June 2017.

NOTE 15. RELATED PARTIES AND KEY CONTRACTS

All transactions with related parties were undertaken on an arm's-length basis.

SUPERVISORY BOARD FEES

The members of the Supervisory Board of the Company were entitled to a total of £74,000 in fees for the six months ended 30 June 2017 (30 June 2016: £70,000). There were no outstanding amounts due as at 30 June 2017 and 31 December 2016.

DIRECTORS' SHAREHOLDING IN THE COMPANY

IN THOUSANDS OF SHARES	30 JUNE 2017	31 DECEMBER 2016
David Richardson	169	166
Colin Maltby	115	112
Frank Schramm	247	193
Duncan Ball	247	193
Michael Denny	40	39
	818	703

REMUNERATION OF THE MANAGEMENT BOARD

Under the current remuneration program, all staff of BBGI Management HoldCo are entitled to an annual base salary payable monthly in arrears, which is reviewed annually by the Management Board. The Management Board members are entitled to a fixed remuneration under their contracts and are also entitled to participate in a short-term incentive plan and a long-term incentive plan. Compensation under their contracts is reviewed annually by the Supervisory Board.

The total short-term and other long-term benefits recorded in the condensed consolidated interim income statement for key management personnel are as follows:

IN THOUSANDS OF POUNDS STERLING	SIX MONTHS ENDED 30 JUNE 2017	SIX MONTHS ENDED 30 JUNE 2016
Short-term benefits	848	713
Share-based payment	171	103
Other long-term benefits	--	105
	1,019	921

SHARE-BASED COMPENSATION

Each of the members of the Management Board received award letters (“2016 Award”, “2015 Award” and “2014 Award”, respectively) under the Group’s long-term incentive plan. These awards are to be settled by BBGI Management Holdco S.à r.l. in the Company’s own shares. Of the awards granted, 50% vests by reference to a performance measure based on the Company’s Total Shareholder Return (“TSR condition”) over the Return Periods (below), and the remaining vests by reference to a performance measure based on the increase in the Company’s Investment Basis Net Asset Value per share (“NAV condition). Further details are as follows:

	2016 AWARD	2015 AWARD	2014 AWARD
Return Period	December 2016 - December 2019	December 2015 - December 2018	December 2014 - December 2017
Vesting period (by reference to performance measure – NAV Condition)	36 mos ending 31/12/2019	36 mos ending 31/12/2018	36 mos ending 31/12/2017
Maximum number of shares which will vest	785,562	696,998	725,498

The fair value of the equity instruments awarded to the Management Board was determined using a Monte Carlo model, the key parameters of which are listed in the following table:

	2016 AWARD	2015 AWARD	2014 AWARD
Share price at grant date	£ 1.395	£ 1.28	£ 1.21
Maturity	3 years	3 years	2.34 years
Target dividends (2017 to 2019)	£0.0625	--	--
Target dividends (2016 to 2018)	--	£0.06	--
Target dividends (2015 to 2017)	--	--	£ 0.06
Volatility	10%	10%	10%
Risk free rate	0.25%	0.85%	0.64%

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the plan is indicative of future trends, which may not necessarily be the actual outcome.

The fair value of the awards and amounts recognised as additional paid-in capital in the Group's condensed consolidated interim statement of financial position are as follows:

IN THOUSANDS OF POUNDS STERLING	30 JUNE 2017	31 DECEMBER 2016
2016 Award	68	--
2015 Award	162	108
2014 Award	245	196
Amount recognised as additional paid-in capital	475	304

The amounts recognised as expenses in the Group's condensed consolidated interim income statement are as follows:

IN THOUSANDS OF POUNDS STERLING	SIX MONTHS ENDED 30 JUNE 2017	SIX MONTHS ENDED 30 JUNE 2016
2016 Award	68	--
2015 Award	54	54
2014 Award	49	49
Amount recognised as additional paid-in capital	171	103

RECEIVABLE COMPONENT OF FVPL INVESTMENTS

As at 30 June 2017, the loan and interest receivable component of FVPL investments, which is included in the FVPL investments, amounted to £170,115,000 (31 December 2016: £194,309,000). The fixed interest charged on the receivables ranges from 3.95% to 13.5% per annum. The receivables have expected repayment dates ranging from 2017 to 2045.

TRADE AND OTHER RECEIVABLES

As at 30 June 2017, trade and other receivables include short-term receivables from project holding companies amounting to £6,699,000 (31 December 2016: £1,687,000) and an amount of £19,684,000 provided to Mersey Gateway Bridge project on the Security Agent's cash collateral account, to replace the previously existing letter of credit coverage provided to the project. The remaining amount pertains to third-party receivables.

NOTE 16. SUBSEQUENT EVENTS

There have been no significant subsequent events from 30 June 2017 to the date of approval of the condensed consolidated interim financial statements which would impact the current amounts and disclosures included herein.

BOARD MEMBERS,
AGENTS & ADVISORS

SUPERVISORY BOARD

- David Richardson (Chairman)
- Colin Maltby
- Howard Myles

MANAGEMENT BOARD

- Duncan Ball
- Michael Denny
- Frank Schramm

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CENTRAL ADMINISTRATIVE AGENT, LUXEMBOURG REGISTRAR AND TRANSFER AGENT, DEPOSITARY & PRINCIPAL PAYING AGENT

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