


# BBGI SICAV S.A.

## Results Presentation
for the six months ended 30 June 2014

29 August 2014

www.bb-gi.com

A Global Infrastructure Company

# Agenda



*This presentation and subsequent discussion contains information provided solely as an update on the financial condition, results of operations and business of BBGI SICAV S.A. and its corporate subsidiaries ("BBGI" or the "Group" ). Nothing contained in either of them shall constitute an offer or an invitation or inducement to buy or sell shares in BBGI.*
*In addition, the presentation and subsequent discussion may contain certain forward looking statements with respect to the financial condition, results of operations and business of the Group. These forward-looking statements represent BBGI's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Additional detailed information concerning important factors that could cause actual results to differ materially is available in our Interim Results for the six months ended 30 June 2014, Annual Report and Consolidated Financial Statements for the year ended 31 December 2013, Interim Results for the six months ended 30 June 2013, Annual Report & Consolidated Financial Statements for the year ended 31 December 2012, Interim Results for the six months ended 30 June 2012 , Annual Report & Consolidated Financial Statements for the period ended 31 December 2011, Prospectus dated 19 November 2013, Prospectus dated 26 June 2013, and Prospectus dated 6 December 2011, all available from the Company's website. Past performance is not a reliable indicator of future performance.*

# Company Overview – BBGI

- Closed-ended Luxembourg investment company
- Premium listing on the main market of the London Stock Exchange in December 2011
- Market capitalization of approximately £509m million as at 30 June 2014
- Global, geographically diversified portfolio of 35 high quality PPP/PFI infrastructure assets with strong yield characteristics:
    - All assets are availability based
    - 84% of assets by value are operational
    - Focus on availability-based roads infrastructure and social infrastructure
- 39% of the Portfolio assets by value are located in the UK, 29% in Canada, 16% in Australia, 4% in US and 12% in Continental Europe
- Stable cash flows with inflation protection characteristics
- Cash flows from secure creditworthy counterparties
- Minimum 5.76 pence per annum dividend expected[1] from 2015 onwards
- 7%-8% target IRR[2]
- Internally managed structure - Experienced PPP/PFI in-house management team

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

[2] On IPO issue price. These are targets only and not profit forecasts. There can be no assurance that these targets will be met.

# Highlights - Financial

- A 1.55% increase in Net Asset Value on an investment basis (“Investment basis NAV”) to £456.23 million as at 30 June 2014 from £449.25 million as at 31 December 2013
- Investment Basis NAV per share of 107.1 pence as at 30 June 2014 (105.6 pence – 31 December 2013) which represents an increase of 1.47%
- International Financial Reporting Standards (IFRS) NAV of £457.8 million as at 30 June 2014 (450.7 million – 31 December 2013 as restated[1])
- Net profit under IFRS of £18.3 million for the period ended 30 June 2014 (£10.3 million, for the period ended 30 June 2013 as restated[1])
- 2014 interim dividend of 2.88 pence per share expected to be paid on 2 October 2014. This represents a 4.73% increase from the 2.75 pence dividend paid in the same period last year
- Expectation that the final dividend for 2014 will also increase to 2.88 pence per share with the annual total dividend expected to be at least at 5.76 pence p.a. from 2015 onwards[2]
- Shares continue to trade at a premium to Investment Basis NAV, and stood at a premium of 11.6% as at 30 June 2014
- Total Shareholder return since listing in December 2011 to 30 June 2014 of 32.2%[3]
- Net cash at 30 June 2014 of £20.5 million

[1] During the year ended 31 December 2013, the Company opted for early adoption of Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27), resulting in a restatement of 2013 interim results
[2] These are targets only and not profit forecasts. There can be no assurance that these targets will be met
[3] Based on share price at 30 June 2014 and after adding back dividends paid during the period

# Highlights - General

- Company has enjoyed a good start to 2014 and has been successful in growing the portfolio
- Completed nine primary acquisitions as well as eight follow on acquisitions with a total value of £111.4 million
- BBGI owns interests in 35 project entities
- Portfolio performance and cash receipts were slightly ahead of the business plan and underlying financial models
- Ongoing Charge ratio has fallen from 1.11% at 31 December 2013 to 0.98% annualised at 30 June 2014 being the lowest in the UK listed infrastructure sector
- BBGI increased its exposure to assets in construction, thereby increasing the opportunity for greater NAV growth in the future, as these assets are expected to see a valuation uplift on becoming operational. The Company has been able to increase its exposure to this NAV growth driver, without compromising its expected dividend distributions
- Average discount rate of 8.42% at 30 June 2014 compared to 8.39% at 31 December 2013


Source: Datastream

BBGI A Global Infrastructure Company

# Global Portfolio - as at 30 June 2014 (1/2)

## Education


Scottish Borders Schools


Clackmannanshire Schools


Kent Schools


Bedford Schools


Coventry Schools


East Down College


Lisburn College


Tor Bank School


Lagan College


4 Schools Frankfurt am Main


Schools Cologne


School Cologne Rodenkirchen

## Healthcare


Women's College Hospital


Kelowna and Vernon Hospital


Gloucester Hospital


Liverpool & Sefton Clinics (LIFT*)


North London Estates Partnerships (LIFT*)


Barking & Havering Clinics (LIFT*)


Mersey Care Mental Health Hospital (LIFT*)


Royal Women's Hospital Australia

Note: * LIFT schemes are schemes procured under the UK National Health Service LIFT (Local Improvement Finance Trust) programme

# Global Portfolio - as at 30 June 2014 (2/2)

BBGI A Global Infrastructure Company

**Roads**


Northwest Anthony Henday


Golden Ears Bridge


Kicking Horse Canyon


North East Stoney Trail


M80 Motorway


E18 Highway


Ohio River Bridge


M1 Westlink


Mersey Gateway Bridge

**Justice**


Victoria Prisons


Burg Prison


Northern Territory Secure Facilities

**Other**

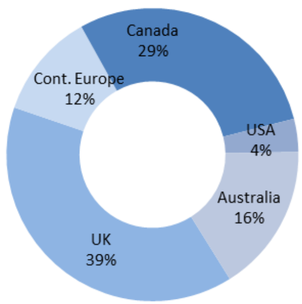

Staffordshire Fire Stations


Unna Administration Centre


Fürst Wrede Barracks

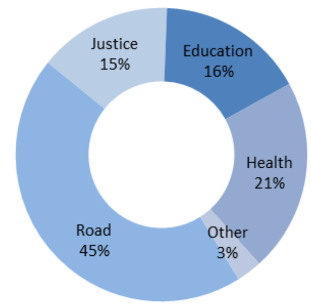
# Portfolio Overview

## BBGI portfolio geographical split




**Global portfolio with 35 assets; all located in AAA and AA rated countries**

## BBGI portfolio split by sector

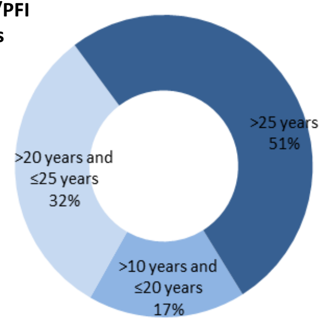



**Diversified sector exposure with a bias towards availability roads**

## Duration of concessions

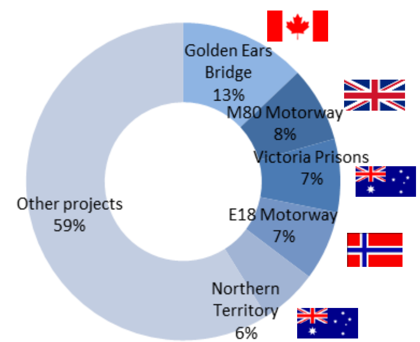
**Weighted average PPP/PFI Concession life: 24.6 yrs**

**Weighted average portfolio debt maturity: 21.6 yrs**




**Long life assets with 83% of assets with a duration >20 years**

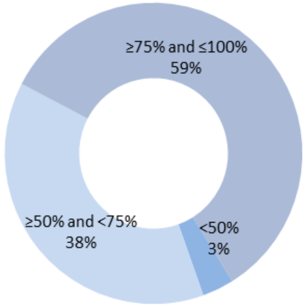
## Portfolio concentration




**Well diversified portfolio with no major single asset exposure**

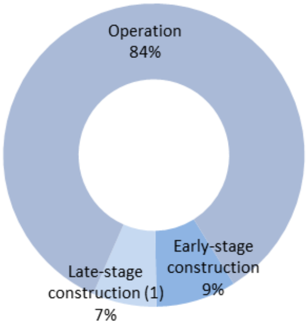
# Portfolio Overview

## BBGI control of project assets



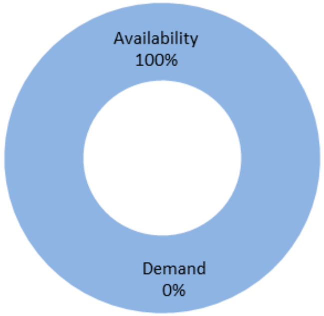

**97% of portfolio owned 50% or more**

## Project Status




**Modest construction exposure provides opportunity for NAV growth as projects become operational**

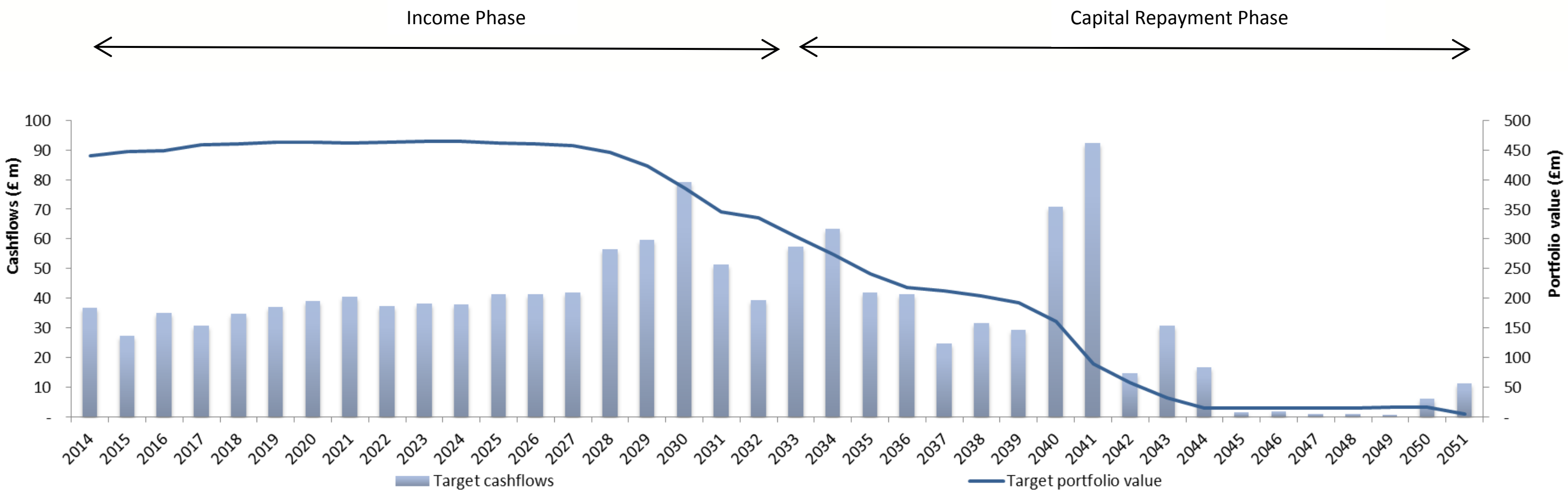
## Revenue type




**100% availability based income; no demand risk**

1 Late stage construction assets are expected to become operational in 2014 and early stage construction assets will become operational in 2015, 2016 and 2017

# Illustrative Portfolio Overview




Note: This illustrative chart is a target only as at 30 June 2014 and is not a profit forecast. There can be no assurance that this target will be met. The hypothetical target cash flows do not take into account any unforeseen costs, expenses or other factors which may affect the portfolio assets and therefore the impact on the cash flows to the Company. As such, the graph above should not in any way be construed as forecasting the actual cash flows from the portfolio. The inclusion of this graph should not be construed as forecasting in any way the actual returns from the portfolio.

- Long term steady stream of target portfolio cash flows deriving from the underlying assets until year 2051
- Based on the current estimates the existing portfolio will enter into the repayment phase approximately in year 2033 whereby cash inflows from the portfolio will be paid to the BBGI's shareholders as capital and the portfolio valuation reduces as projects reach the end of their concession term

# Portfolio Overview – Counterparty exposure

- All investments are in secure, stable countries where the sovereign debt has a strong investment grade rating
- Counterparties to the UK assets (39% of Portfolio Value) vary by project, but PPP in the UK is seen to enjoy an implicit level of support by the central government
- Counterparties to the Canadian assets (29% of Portfolio Value) are:
  - Province of BC AAA Aaa
  - Province of Alberta AAA Aaa
  - Province of Ontario AA- Aa2
  - Translink AA(DBRS) Aa2
- Counterparty to the Australian assets (16% of Portfolio Value) are the AAA/Aaa rated State of Victoria and the Aa1 rated Northern Territory of Australia
- Counterparty to the US asset (4% of Portfolio Value) is the Aaa/AA+ rated Indiana Finance Authority, in conjunction with State of Kentucky
- Counterparty to the Continental Europe assets (12% of Portfolio Value) are
  - for German assets : the Federal State of Saxonia-Anhalt, the public body of Unna, City of Frankfurt, City of Cologne and the Republic of Germany for the Military Campus; all counterparties enjoy legislative support from the Republic of Germany
  - Norwegian asset: Norwegian Government

| Country | Number of assets | % of portfolio | S&P Sovereign Rating | Moody's Sovereign Rating |
|---|---|---|---|---|
| Canada | 6 | 29% | AAA | Aaa |
| UK | 18 | 39% | AAA | Aa1 |
| Australia | 3 | 16% | AAA | Aaa |
| USA | 1 | 4% | AA+ | Aaa |
| Continental Europe | 7 | 12% | AAA | Aaa |

| Top 5 Projects | Public Sector Counterparty | % of portfolio | S&P Counter Party Rating | Moody's Counter Party Rating |
|---|---|---|---|---|
| Golden Ears Bridge | Translink | 13% | AA (DBRS) | Aa2 |
| M80 Motorway | Scottish Ministers (Transport Scotland) | 8% | AAA | Aa1 |
| Victoria Prisons | State of Victoria | 7% | AAA | Aaa |
| E18 | Norwegian Government | 7% | AAA | Aaa |
| NTSF | Northern Territory | 6% | No S&P rating | Aa1 |

# Asset Management

- The Portfolio performance and cash receipts were in-line with, or slightly exceeded plan
- BBGI has worked hard to maintain a good dialogue with our public sector clients and partners. Relationships with clients are considered to be good
- Active asset management of the portfolio continues, resulting in some savings or optimizations of insurance costs, SPC costs and life cycle costs
- On-going operations and maintenance responsibilities are outsourced to a diversified group of high quality facility managers and road operators
- All deductions across the portfolio are borne by the third party facility managers and road operators
- No counterparty issues to report on subcontractor level

# Asset Management – Construction Exposure

- Five assets are in construction representing 16% of portfolio value. Two assets (7% of portfolio value) are in late stage construction with less than 6 months of construction period expected and are expected to become operational in HY2 2014, and three projects (9% of portfolio value) are in early stage construction and will become operational in 2015, 2016 and 2017

- The construction risk generally has been passed down to creditworthy construction sub-contractors. The typical construction contract is a fixed-price, date-certain contract where the construction contractor is responsible for any potential cost over-runs or delays. Construction support packages typically consist of letters of credit or bonds from third parties and to the extent necessary parent company guarantees from the parent of the construction companies

- BBGI remains optimistic for further increases in NAV once those projects currently in construction within the Company's portfolio move closer and into the operational phase. The ability to provide such organic growth in NAV as construction related risks in assets reduce over time is an important and differentiating characteristic of the Company

- The Company has expanded its asset management team and increased the number of individuals with specific PPP construction experience to help manage and mitigate any potential risks. An additional Director of Asset Management with PPP and construction experience has joined the team in Q2 2014

- Despite the increased construction exposure, the Management Board believes that the ability to meet the new dividend target has not been compromised

# Valuation - Macroeconomic Assumptions

| Macro-economic assumptions | | | | |
|---|---|---|---|---|
| End of period | 31-Dec-14 | 31-Dec-15 | 31-Dec-16 | Long term |
| UK | | | | |
| Indexation (%) | 2.75 | 2.75 | 2.75 | 2.75 |
| Deposit Interest Rate (%) | 1.0 | 2.0 | 3.0 | 3.0 |
| SPC Corporate Tax (%) | 21.0 | 20.0 | 20.0 | 20.0 |
| Canada | | | | |
| Indexation (%) (1) | 2.00/2.35 | 2.00/2.35 | 2.00/2.35 | 2.00/2.35 |
| Deposit Interest Rate (%) | 1.0 | 2.0 | 3.0 | 3.0 |
| SPC Corporate Tax (%) (2) | 25.0/26.0/26.5 | 25.0/26.0/26.5 | 25.0/26.0/26.5 | 25.0/26.0/26.5 |
| Australia | | | | |
| Indexation (%) | 2.50 | 2.50 | 2.50 | 2.50 |
| Deposit Interest Rate (%) (3) | 4.00/5.00 | 4.00/5.00 | 4.00/5.00 | 4.00/5.00 |
| SPC Corporate Tax (%) | 30.0 | 30.0 | 30.0 | 30.0 |
| Germany | | | | |
| Indexation (%) | 2.00 | 2.00 | 2.00 | 2.00 |
| Deposit Interest Rate (%) | 1.0 | 2.0 | 3.0 | 3.0 |
| SPC Corporate Tax (%) (4) | 15.8 | 15.8 | 15.8 | 15.8 |
| Norway | | | | |
| Indexation (%) (5) | 2.94 | 2.94 | 2.94 | 2.94 |
| Deposit Interest Rate (%) | 1.8 | 2.5 | 4.0 | 4.0 |
| SPC Corporate Tax (%) | 27.0 | 27.0 | 27.0 | 27.0 |
| USA | | | | |
| Indexation (%) | 2.50 | 2.50 | 2.50 | 2.50 |
| Deposit Interest Rate (%) | 1.0 | 2.0 | 3.0 | 3.0 |
| SPC Corporate Tax (%) | 35.0/4.6 | 35.0/4.2 | 35.0/4.2 | 35.0/4.2 |

(1) All Canadian projects have a 2.0% indexation factor with the exception of NEST and NWAHD which have a slightly different indexation factor which is derived from a basket of regional labour, CPI and commodity indexes

(2) Tax rate is 25% in Alberta, 26.0% in British Columbia and 26.5% in Ontario

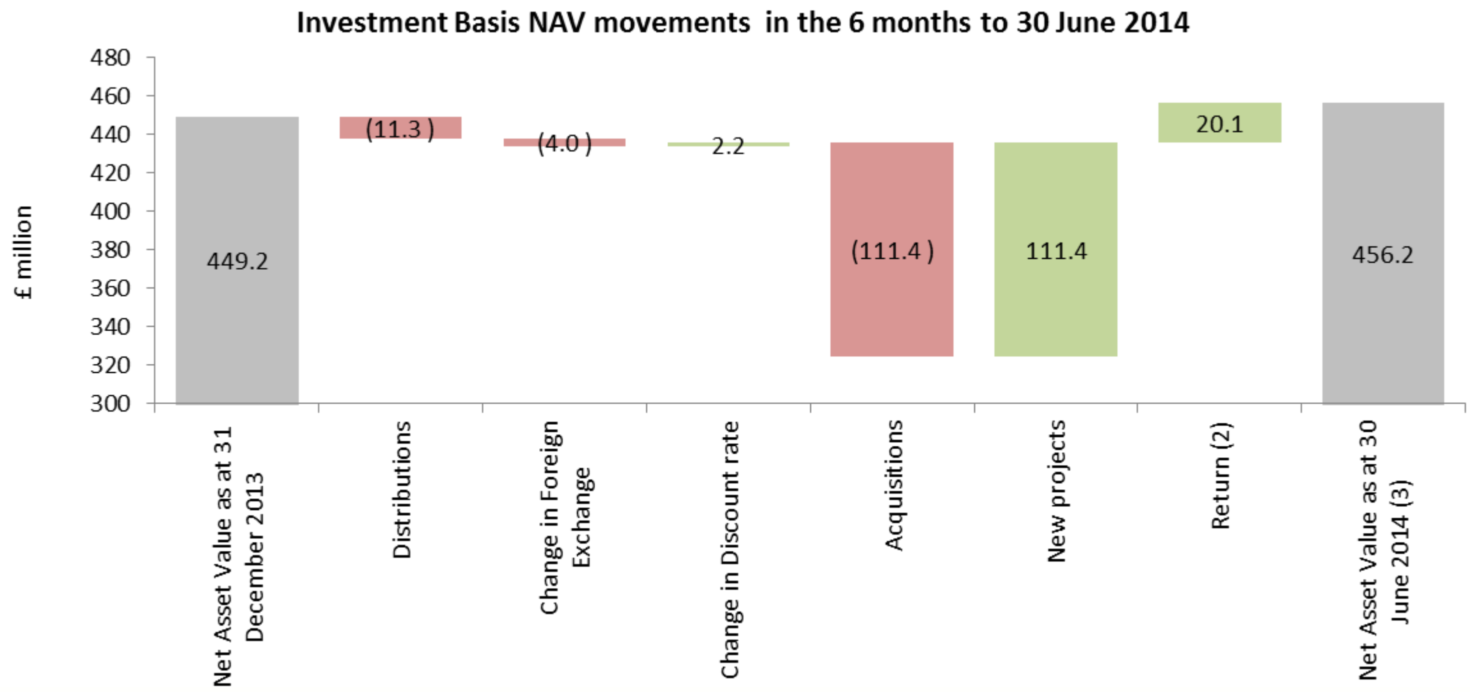
(3) Cash on Debt Service Reserve Account and Maintenance Service Reserve Account can be invested on 6 month basis; other funds are deposited on a shorter term

(4) Including Solidarity charge, excluding Trade tax which varies between communities

(5) Indexation of revenue based on basket of 4 indices

# Valuation

- Net Asset Value[1] has increased from £449.25 million to £456.23 million. The NAV per share increased from 105.6 pence to 107.1 pence or 1.47%




[1] Based on reported Investment basis NAV at 30 June 2014 as compared to reported Investment basis NAV at 31 December 2013
[2] Return includes amongst others changes due to portfolio optimisations and unwinding of future cash flows
[3] 95.8% of the Investment basis NAV represents the portfolio value of £436.9 million

# Valuation – Value Drivers

## General

- The increase in the Investment basis NAV per share of 1.47 % reflects the good performance of the assets primarily as a result of the key drivers listed below:
  - As the Company moves closer to receiving the forecast dividend payments, the time value of those cash flows on a net present value basis increases (unwinding of discount)
  - The net effect of inflation on a portfolio basis has been slightly positive
  - Early renewal of portfolio insurance with further reduced premiums
  - Value optimizations on certain projects
  - A moderate decrease in discount rates based on both the reduced risks associated with some investments and a small reduction in the market rate for stable operational projects
  - New acquisitions made at, or above, the portfolio discount rate

## Discount Rates

- The discount rates used for the individual assets range between 8.00% and 10.5%
- Average discount rate of 8.42% compared to an average rate of 8.39% used at 31 December 2013
- The increase in the average discount rate reflects primarily the additional assets under construction acquired during the first half of 2014. This has been partly offset by the decrease in certain discount rates due to the some assets reaching the stable operational phase and secondly the continued trend of an increased competitive pressure on secondary market prices

# Valuation – Value Drivers

## Foreign Exchange & Hedging

- The foreign exchange rates at 30 June 2014 show a depreciation of the Canadian Dollar, Euro and Norwegian Krone against the British Pound. During the same period the Australian Dollar appreciated against the British Pound

| | F/X rates as of 31 December 2013 | F/X rates as of 30 June 2014 |
|---|---|---|
| GBP/AUD | 1.858 | 1.807 |
| GBP/CAD | 1.764 | 1.817 |
| GBP/EUR | 1.198 | 1.249 |
| GBP/NOK | 10.093 | 10.438 |
| GBP/USD | * | 1.704 |

* The Company acquired Ohio River Bridge a US project in January 2014. Prior to this the Company's portfolio had no exposure to the US Dollar

- The Company is exposed to foreign exchange movements on future portfolio distributions denominated in AUD, CAD, EUR, NOK and USD

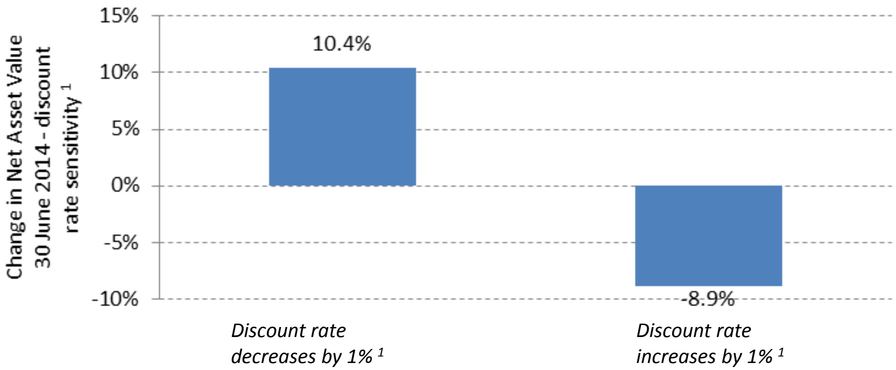
- The Company seeks to provide protection to the level of £ dividends that the Company aims to pay on the ordinary shares, in order to reduce the risk of currency fluctuations and the volatility of returns that may result from such currency exposure. The Management Board has therefore implemented a policy of hedging forward a portion of its anticipated foreign currency cash flows

- In April 2014 BBGI entered into a number of forward contracts in accordance with the Company's hedging policy on assets acquired since 1 December 2013. The Company intends to enter into additional hedge contracts in Q3 2014 to maintain the four year hedging programme. The Company does not currently hedge the future Euro cash flows as it is forecasted that these cash flows will continue to be used to cover the fund's running costs which are largely Euro denominated

# Valuation - Sensitivities

## Discount Rates

- The following chart shows the sensitivity of the Fund Net Asset Value to a change in the discount rate

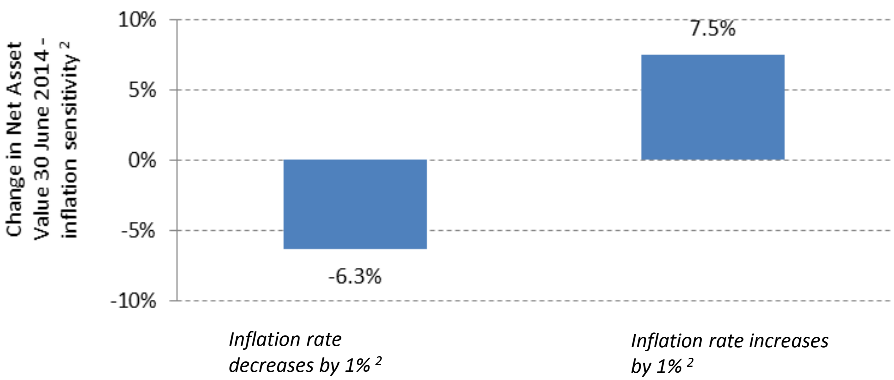



| Discount Rate Sensitivity[1] | Change Net Asset Value per share 30 June 2014 |
|---|---|
| Decrease by 1% to 7.42% | 11.1 pence, i.e. +10.4% |
| Increase by 1% to 9.42% | (9.5) pence, i.e. (8.9%) |

[1] Based on the average discount rate of 8.42%

## Inflation

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

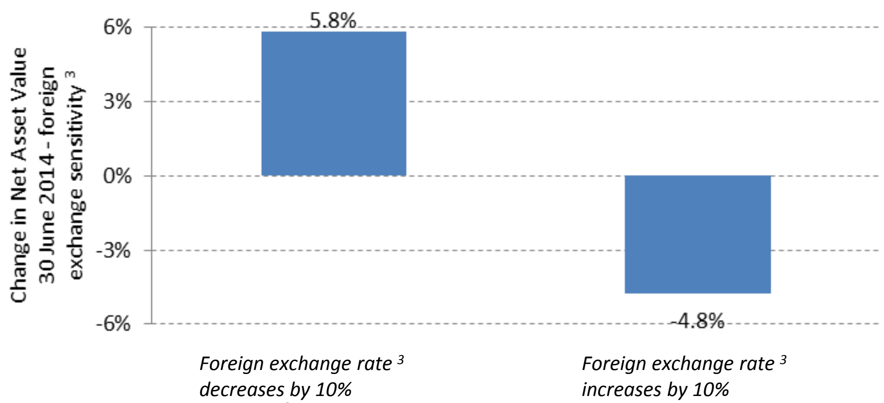



| Inflation Sensitivity | Change Net Asset Value per share 30 June 2014 |
|---|---|
| Decrease by 1% [2] | (6.7) pence, i.e. (6.3)% |
| Increase by 1% [2] | 8.1 pence, i.e. +7.5% |

[2] Compared to the assumptions as set out in the macroeconomic assumptions previously noted

# Valuation - Sensitivities

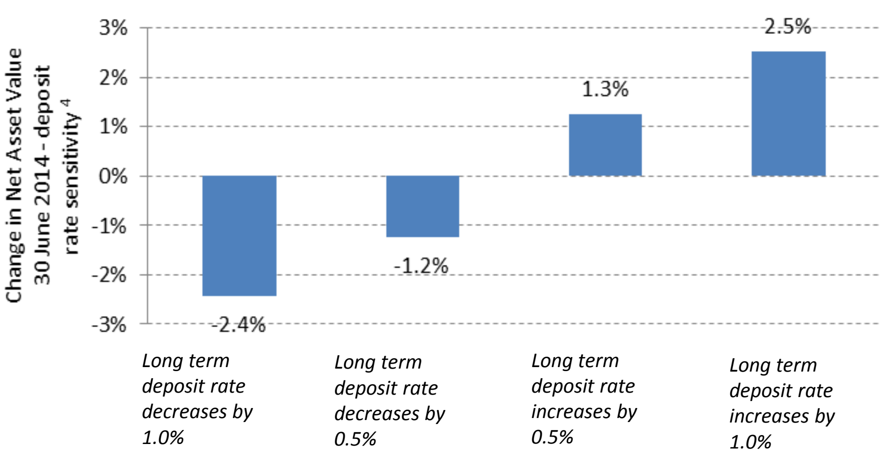
## Foreign Exchange




| Foreign Exchange Sensitivity | Change Net Asset Value per share 30 June 2014 |
|---|---|
| Rate[3] decrease by 10% | 6.2 pence, i.e. +5.8% |
| Rate[3] increase by 10% | (5.1) pence, i.e. (4.8)% |

[3] Sensitivity in comparison to the foreign exchanges rates at 30 June 2014 and taking into account the hedges in place derived by applying a 10% increase or decrease to the rate GBP/ Foreign currency

## Deposit rates




| Deposit Rate Sensitivity | Change Net Asset Value per share 30 June 2014 |
|---|---|
| Rate[4] decrease by 1% | (2.6) pence, i.e. (2.4)% |
| Rate[4] decrease by 0.5% | (1.3) pence, i.e. (1.2)% |
| Rate[4] increase by 0.5% | 1.3 pence, i.e. +1.3% |
| Rate[4] increase by 1% | 2.7 pence, i.e. +2.5% |

[4] Sensitivity in comparison to the macroeconomic assumptions previously noted derived by changing the long-term deposit rate assumption

# Financial Review

- Cash received from the portfolio was predominantly by way of distributions including dividends and interest receipts from debt servicing amounting to £18.9 million
- After deducting Group level corporate costs the net cash receipts for the period were £15.9 million
- The tables below summarize the cash received by the holding companies from the investments net of the corporate costs of the holding companies within the Group during the reporting period

| Summary net corporate cash flow | Period ended 30 June 2014 £ million |
|---|---|
| Cash received from investments | 18.9 |
| Cash outflow from corporate expenses and net finance costs[1] | (3.0) |
| Net cash[2] | 15.9 |

[1] Net cash outflow from operating activities includes acquisition related costs of £0.5 million which were incurred in 2013 and were paid during the period ended 30 June 2014.

# Financial Review

| Group Level Corporate Cost Analysis | Period ended 30 June 2014 £ million |
|---|---|
| Interest expense and other finance cost | 0.4 |
| Staff costs[1] | 1.3 |
| Fees to non-executive directors | 0.1 |
| Professional fees | 0.3 |
| Acquisition related costs[2] | 0.3 |
| Other expenses | 0.6 |
| Taxes | 0.2 |
| **Corporate costs** | 3.2 |

| Ongoing Charges | Period ended 30 June 2014 £ million |
|---|---|
| Annualised ongoing charges[3] | 4.44 |
| Average undiluted net asset value in period | 453.9 |
| **Ongoing Charges (%)** | 0.98% |

[1] The Fund is internally managed with no management or performance or any other fees payable to external managers

[2] The acquisition related costs are made up of due diligence, legal, and other costs directly related to the acquisitions made during the period to date. The figure includes unsuccessful bid cost of approximately £0.03 million.

[3] The annualised ongoing charges exclude all non-recurring costs i.e. costs of acquisition/disposal of investments, financing charges and gains/losses arising on investments. The ongoing charges include an accrual for payments to certain members of the management team under the Short Term Incentive Plan ("STIP") and the Long Term Incentive Plan ("LTIP").

# Financial Review – Dividends

- 2014 interim dividend of 2.88 pence per share expected to be paid on 2 October 2014

- The favourable portfolio performance allowed the Company to increase its mid-year dividend from 2.75 pence per share to 2.88 pence per share, an increase of 4.73%

- Expectation that the final dividend for 2014 will also increase to 2.88 pence per share with the annual total dividend expected[1] to be at least 5.76 pence p.a. from 2015 onwards

- Despite the increased construction exposure, the Management Board believes that the ability to meet dividend targets has not been compromised

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

# Financial Review – Financing

A Global Infrastructure Company

## Company Level

- £35 million credit facility with The Royal Bank of Scotland PLC (RBS), National Australia Bank Limited (NAB) and KFW IPEX-Bank GMBH (KfW)

- As at 30 June 2014 the balance drawn under the facility was £27.2 million, of which £21.0 million was utilised for three letters of credit and the remaining £6.2 million was drawn to provide bridge financing for project acquisitions

- As the size of the Company has increased, the Management Board is currently in discussions with banks regarding the increase and extension of the Company's £35 million revolving debt facility to approximately £70 million to £80 million with a corresponding extension of the final maturity beyond the current maturity of 2015. Negotiation of detailed terms is expected to be concluded in autumn 2014

- The Company does not use structural gearing

## Project Level

- Apart from the Royal Women's Hospital and Northern Territories Secure Facility, the individual PPP/PFI projects in the portfolio all have long term amortising debt in place which does not need to be refinanced. The Royal Women's Hospital has one tranche of debt which needs to be refinanced between 2017 and 2021. Northern Territories Secure Facility is expected to require refinancing in respect of all the senior debt in 2016

- As at 30 June 2014, the weighted average PPP/PFI project concession length remaining was 24.6 years and the weighted average portfolio debt maturity was 21.6 years

# Investment Opportunities – Third Parties

- BBGI will continue to focus on fiscally stable countries where PPP/PFI is a practiced route for delivering infrastructure investment projects, principally in certain countries in Europe, North America, Australia and New Zealand
- Seeing opportunities from third party vendors
- Opportunities are sourced through a wide network of industry relationships and through formal sale processes
- BBGI expects to leverage Bilfinger's asset management network of over 45 global personnel in Australia, North America and Europe to source investment opportunities without having to increase the Company's level of direct employment
- The Management Board have noticed the increased competitive tension in the PPP/PFI secondary market. There is currently more investment capital searching for assets than there is supply, putting pressure on prices. BBGI will follow a path of disciplined growth. This will mean that BBGI will be selective and surgical in its approach and buy assets on an opportunistic basis

# Summary

- Successful first half of 2014 for BBGI:
  - Investment Basis NAV / share increased by 1.47%
  - Portfolio performance and cash receipts were in line with, or slightly exceeded plan
  - 2014 interim dividend of 2.88 pence per share expected to be paid on 2 October 2014
  - Expectation that the final dividend for 2014 will also increase to 2.88 pence per share with the annual total dividend expected to be at least at 5.76 pence p.a. from 2015 onwards[1]
  - Total Shareholder return since listing in December 2011 to 31 December 2013 of 32.2% [2]
  - Market capitalization increased to over GBP 509 million
  - Ongoing expenses reduced to 0.98%

- Global, geographically diversified high quality portfolio

- Cash flows from secure credit worthy counterparties

- Stable cash flows with attractive inflation protection characteristics

- Value upside from existing portfolio

- Acquisition opportunities

- Internally managed fund with highly experienced management team

[1] These are targets only and not profit forecasts. There can be no assurance that these targets will be met
[2] Based on share price at 30 June 2014 and after adding back dividends paid during the period




# Appendix

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# Appendix Key characteristics of fund

| | |
|---|---|
| **The Company** | ▪ Luxembourg SICAV<br>▪ Chapter 15 Premium Listing on the UK Official List<br>▪ £ denominated shares<br>▪ Tax efficient structure |
| **Investment policy** | ▪ Infrastructure assets – PPP/PFI or equivalent<br>▪ Principally operational assets and availability based revenues<br>▪ Public sector-backed counterparties with diverse risk profiles and a history of PFI success<br>▪ Single asset target limit of 20% of portfolio, subject to 25% maximum<br>▪ Construction assets limited to maximum 25% of portfolio<br>▪ Demand based assets limited to maximum 25% of portfolio |
| **Portfolio** | ▪ 35 projects<br>▪ Weighted average concession length of 24.6 years allowing for maximisation of returns<br>▪ Diverse asset mix with a focus on lower risk, availability road projects |
| **Gearing** | ▪ Prudent use of leverage with a maximum ratio of 33% of portfolio value |
| **Further investments** | ▪ Attractive flow of future opportunities |
| **Management** | ▪ Experienced internal management team with extensive PPP/PFI experience<br>▪ Supervised by experienced Supervisory Board<br>▪ Performance based incentivisation (short and long term) |
| **Dividend** | ▪ From 2015 target annual dividend per share of 5.76 pence with the aim of progressively increasing this over the longer term |
| **IRR** | ▪ Target IRR of 7-8% |
| **Ongoing costs** | ▪ Very competitive ongoing charges percentage of 0.98% |
| **Discount Management** | ▪ Discretionary share repurchases and tender offer authorities<br>▪ Continuation vote in 2015 and every second year thereafter |
| **Financial year end** | ▪ 31st December |

# Appendix Valuation Approach

A Global Infrastructure Company

| | |
|---|---|
| **Discount Rate** | ▪ Weighted average discount rate of 8.42%<br>▪ Portfolio is 84% operational; further 7% expected to become operational in HY2 2014 |
| **Valuation verification** | ▪ Review carried out by independent third party<br>▪ Valuation assumptions sensitised and tested<br>▪ Reviewed by KPMG as part of audit/review process |
| **Approach** | ▪ The Management Board is responsible for carrying out the valuation of the Company's investments which is presented to the Supervisory Board<br>▪ Valuation is carried out on a six monthly basis as at 30 June and 31 December each year<br>▪ The valuation is determined using discounted cash flow methodology<br>▪ 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, have been discounted using project specific discount rates<br>▪ The valuation methodology has not changed since the IPO in 2011 |

# Appendix Approach to Debt

**Approach to Leverage**

**Project Level Debt**

- All projects have non-recourse debt.
- Weighted average maturity of project debt is 21.6 years
- Limited re-financing risk on Royal Women's Hospital and Northern Territory Secure Facilities
- Prudent assumptions regarding the debt tranche that is subject to refinancing

**Corporate Debt**

- Corporate facility is used to bridge finance acquisitions between capital raising
- No structural gearing
- Prudent use of leverage with a maximum ratio of 33% of portfolio value
- Target is <25% leverage

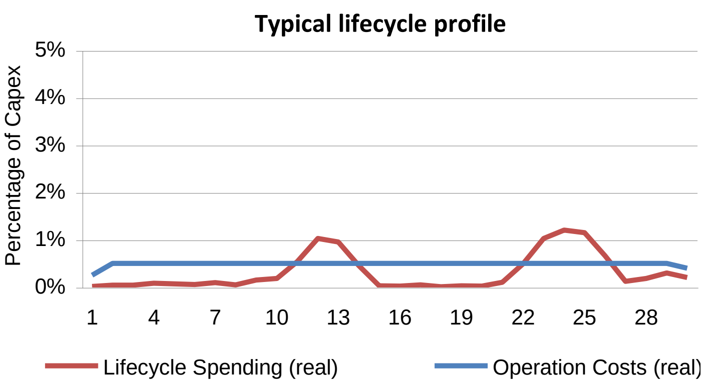
**Corporate Facility**

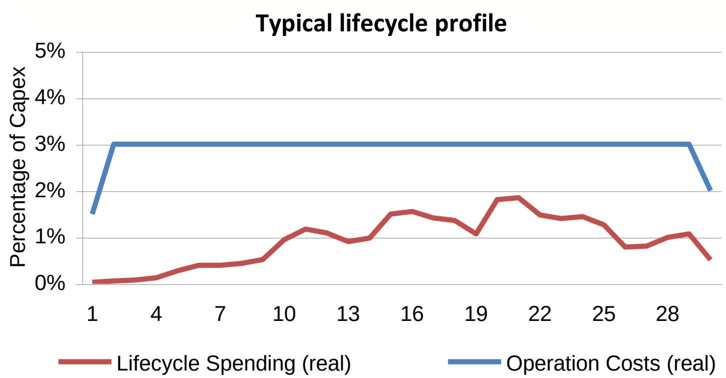
- £35m corporate facility arranged in July 2012
- The Royal Bank of Scotland PLC (RBS), National Australia Bank Limited (NAB) and KFW IPEX-Bank GMBH (KfW) are lenders
- 3 year facility - expires in July 2015
- Currently in discussions to increase the facility to approximately £70 million to £80 million and to extend the final maturity beyond the current maturity of 2015
- Structured to accommodate potential for increases in the future as portfolio grows

# Appendix Road projects - lower risk

**Lifecycle risk for social infrastructure passed to sub-contractors (except Unna, Kelowna & Vernon and Women's College Hospital project), but is retained on road assets Retention of road lifecycle risk can provide upside opportunity**

| Availability roads | Social Infrastructure |
|---|---|




| | Availability roads | Social Infrastructure |
|---|---|---|
| **Lifecycle costs** | ▪ c.4% - 10% of total capital costs | ▪ c.25% – 30% of total capital costs |
| **Lifecycle spending** | ▪ c.2-3 consolidated main interventions | ▪ Several peaks with more even distribution over operating period |
| **Operational cost** | ▪ c.0.5% (Europe) – 1.5% (Canada) p.a. | ▪ c.2% – 9% p.a. |
| **Maintenance profile** | ▪ Fewer maintenance groups – less complex coordination | ▪ Approx. 40 maintenance groups – complex coordination and organisation of maintenance and replacement work |
| **Client interaction** | ▪ Client is not the main user of the asset and has fewer interfaces | ▪ Client is the user of the asset with day-to-day exposure |

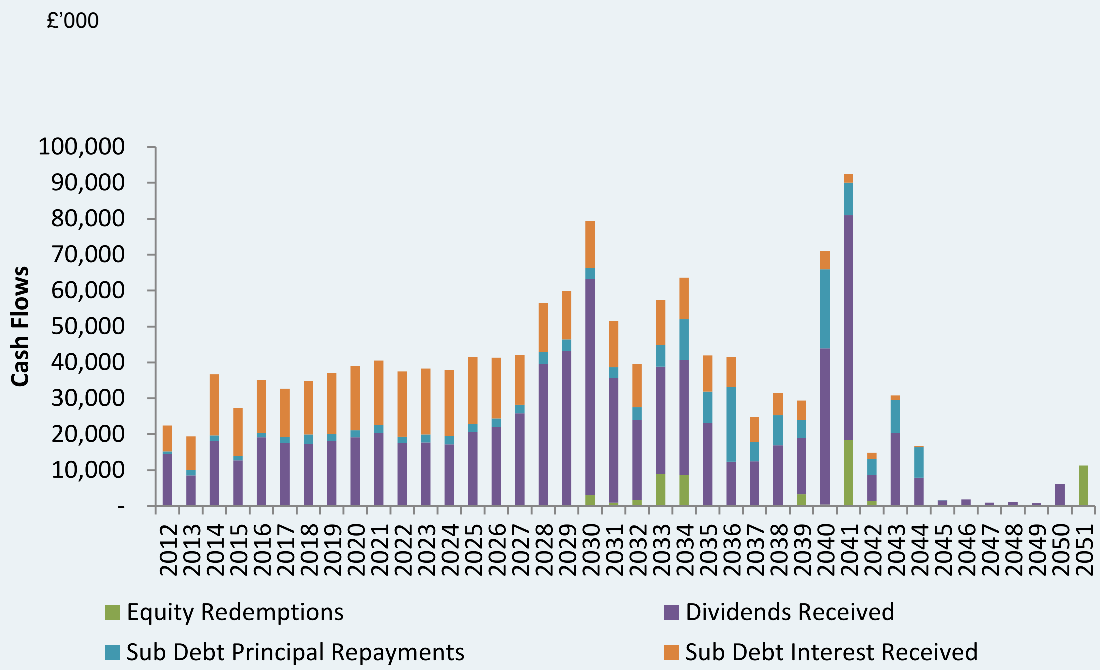
# Appendix
# Financial Review - Stable, predictable portfolio cash flows

A Global Infrastructure Company

## Commentary

- Predictable contractual cash flows
- Revenue yielding projects with availability based characteristics
- Index-linked provisions providing inflation correlation
- Public sector-backed counterparties and contracted nature of the cash flows increase predictability
- Balanced asset portfolio providing project, sector and geographic diversification
- Clear and actionable growth drivers
  - Value enhancements
  - Pipeline available
  - Third party acquisitions
- Aim to further increase the dividend yield progressively over time

## Illustrative Portfolio post tax cash flows (at 30 June 2014)*




Note: This illustrative chart is a target only as at 30 June 2014 and is not a profit forecast. There can be no assurance that this target will be met. The hypothetical target cash flows do not take into account any unforeseen costs, expenses or other factors which may affect the portfolio assets and therefore the impact on the cash flows to the Company. As such, the graph above should not in any way be construed as forecasting the actual cash flows from the portfolio. The inclusion of this graph should not be construed as forecasting in any way the actual returns from the portfolio.

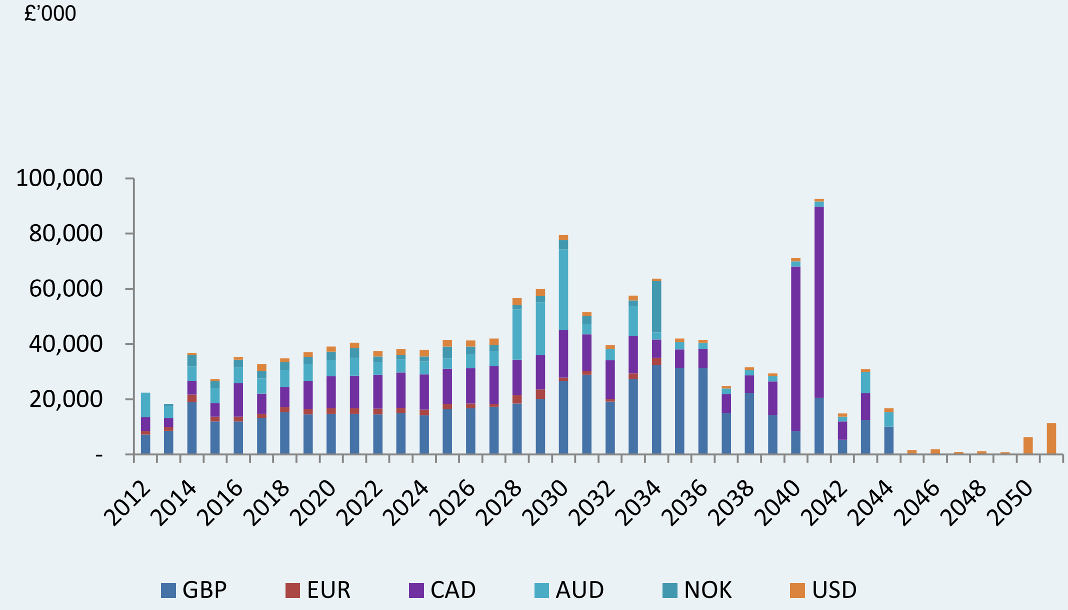
# Appendix Stability of cash flow – protection through currency hedging

A Global Infrastructure Company

## Commentary

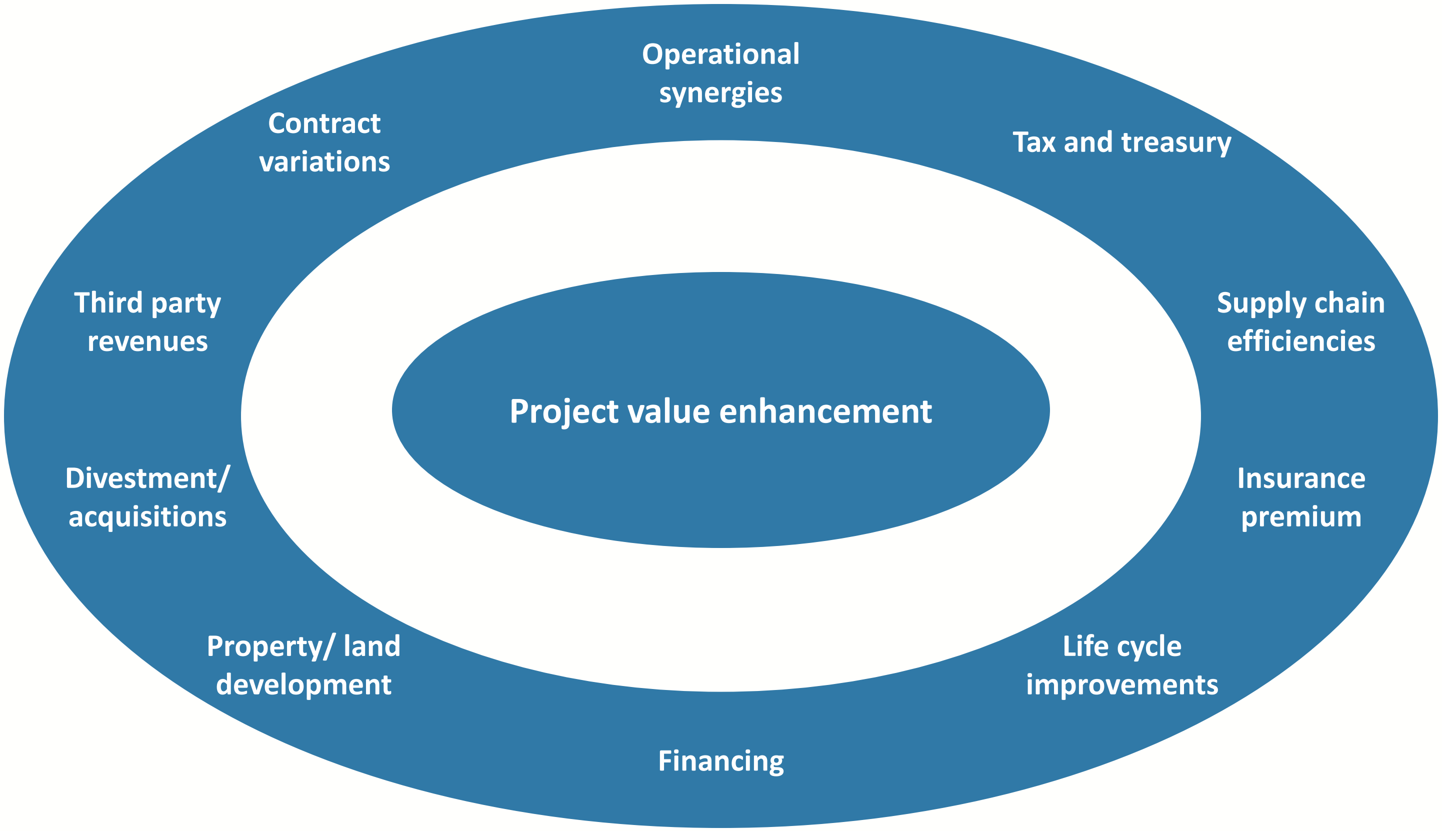
- BBGI invests in a wide geographical spread of assets but pays dividends in GBP
- Strategy seeks to minimise risk of currency fluctuations affecting dividend payments
- Intention to hedge the portfolio's non-GBP cash flows with a 4 year rolling hedge strategy:
  - YR1: 100%
  - YR2: 75%
  - YR3: 50%
  - YR4: 25%
- Currently, no hedging of the Euro cash flows due to partial natural hedge with cost
- To be reviewed on an annual basis

## Illustrative Existing Portfolio post tax cash flows by currency (at 30 June 2014)*




Note: This illustrative chart is a target only as at 30 June 2014 and is not a profit forecast. There can be no assurance that this target will be met. The hypothetical target cash flows do not take into account any unforeseen costs, expenses or other factors which may affect the portfolio assets and therefore the impact on the cash flows to the Company. As such, the graph above should not in any way be construed as forecasting the actual cash flows from the portfolio. The inclusion of this graph should not be construed as forecasting in any way the actual returns from the portfolio.

# Appendix Value enhancement opportunities




Active management of the portfolio has helped to drive the NAV uplift

# Appendix Operator counterparty risk

| Contractor exposure as at 30 June 2014 | |
|---|---|
| **Operator** | **Assets** |
| **Capilano Highway Services Ltd** | Golden Ears Bridge, Canada |
| **United Group Services/DTZ** | Royal Women´s Hospital, Australia ; Victoria Prisons, Australia |
| **John Graham (Dromore)** | East Down College, UK; Lagan College, UK; Lisburn College, UK; M1 Westlink, UK; Tor Bank School, UK |
| **Black & McDonald** | Kelowna & Vernon Hospitals, Canada; Women's College Hospital, Canada |
| **BEAR Scotland Ltd** | M80 Motorway, UK |
| **Carmacks Maintenance Services Ltd** | North East Toney Trail, Canada; Northwest Anthony Henday Drive, Canada |
| **Otera Jontasje/Veidekke** | E18 Motorway, Norway |
| **Integral FM Ltd** | Coventry Schools, UK; LIFT: Liverpool & Sefton Clinics, UK; LIFT: North London Estates Partnerships , UK |
| **Honeywell** | Northern Territory Secure Facilities, Australia |
| **Other contractors** | Bedford Schools, UK; Clackmannanshire Schools, UK; Gloucester Hospital, UK; Kent Schools, UK; LIFT: Barking & Havering Clinics, UK; LIFT: Mersey Care Mental Hospital, UK; Mersey Gateway Bridge, UK; Scottish Borders Schools, UK; Staffordshire Fire Stations, UK<br><br>Kicking Horse Canyon, Canada<br><br>Ohio River Bridge, USA<br><br>Burg Prison, Germany; Four Schools Frankfurt Am Main, Germany; Fürst Wrede Barracks, Germany; P1 Schools Cologne, Germany; Rodenkirchen School Cologne, Germany; Unna, Germany |

- Diversified spread of quality supply chain providers / No significant single name exposure
- Quarterly review by BBGI

# Appendix - Supervisory Board

| | |
|---|---|
|  | **David Richardson**<br>**Chairman**<br><br>Mr. Richardson currently holds a number of non-executive directorships, including Senior Independent Director of Assura Group plc, and non-executive director of The Edrington Group Ltd. He is also Chairman of the Corporate Governance Committee of the Institute of Chartered Accountants in England and Wales. Mr. Richardson's executive career has focused on financial roles, including over 20 years with Whitbread plc where he was Strategic Planning Director and, subsequently, Finance Director. He was instrumental in transforming Whitbread from a brewing and pubs company into a market leader in hotels, restaurants and leisure clubs.<br><br>Mr. Richardson has previously served as Chairman of the London Stock Exchange Primary Markets Group, Four Pillars Hotels Ltd, Forth Ports plc and De Vere Group plc, and has also held non-executive directorships at Serco Group plc, Tomkins plc, Dairy Crest plc, World Hotels AG and The Restaurant Group plc. Mr. Richardson graduated from the University of Bristol with a degree in Economics and Accounting and qualified as a Chartered Accountant in 1975. |
|  | **Colin Maltby**<br>**Senior Independent Director**<br><br>Colin Maltby has been involved in the financial sector since 1975 when he joined NM Rothschild's international currency management department. Between 1980 and 1995, he held various roles at Kleinwort Benson Group plc, including as a Group Chief Executive at Kleinwort Benson Investment Management, as well as a Director of Kleinwort Benson Group plc.<br><br>From 1996 to 2000 Mr. Maltby was appointed Chief Investment Officer at Equitas Limited, and from 2000 to 2007 he worked for BP, as Chief Executive for BP Investment Management Limited and Head of Investments for BP plc. Since 2007, he has served as advisor to institutional investors and as an independent non-executive director of several listed companies. Mr. Maltby holds MA and MSc degrees from Oxford University and has been a member of the Chartered Institute for Securities and Investment since its formation in 1992. |
|  | **Howard Myles**<br>**Independent Director and Chairman of the Audit Committee**<br><br>Howard Myles began his career in stockbroking in 1971 as an equity salesman, before joining Touche Ross in 1975 where he qualified as a chartered accountant. In 1978 he joined W. Greenwell & Co in the corporate broking team, and in 1987 moved to SG Warburg Securities where he was involved in a wide range of commercial and industrial transactions in addition to leading Warburg's corporate finance function for investment funds. Mr. Myles worked for UBS Warburg until 2001 and was subsequently a partner in Ernst & Young LLP from 2001 to 2007, where he was responsible for the Investment Funds Corporate Advisory team.<br><br>Mr. Myles holds an MA from Oxford University. He is a Fellow of the Institute of Chartered Accountants and a Fellow of the Chartered Institute for Securities and Investment, and is a non-executive director of a number of listed investment companies. |

# Appendix - Senior Management Team

| | |
|---|---|
|  | **Frank Schramm**<br>**Joint CEO of BBGI**<br><br>Frank Schramm has worked in the PPP sector, investment banking and advisory business for over 18 years. Prior to his current role with the Group, he worked at the Bilfinger Group where he led as Co-Managing Director of the European PPP operations with over 60 staff. In this role, he was responsible for the asset management of over 20 PPP investments with a project volume of about EUR 4bn and for acting as shareholder representative in various investments. In addition to that he was responsible for the European development activities.<br><br>Prior to that role, Mr. Schramm was Finance Director of the PPP operations in Continental Europe and was responsible for all project finance activities. Mr. Schramm was also responsible for the sale of PPP assets in 2010, 2007 and 2006. While at BPI, Mr. Schramm was involved in over 15 PPP procurements and was involved in either the procurement or the asset management of most of the European investments within the Existing Portfolio. Before joining Bilfinger, Mr. Schramm worked at Macquarie Bank in the Investment Banking group from August 2000 until September 2003 where he was responsible for structured finance transactions. Mr. Schramm worked at Deutsche Anlagen Leasing (DAL) from 1998 to 2000 and Bilfinger Berger BOT GmbH from 1995 to 1998. |
|  | **Duncan Ball**<br>**Joint CEO of BBGI**<br><br>Duncan Ball has worked in the investment banking and project finance sector for over 20 years. He is a chartered financial analyst with extensive PPP experience and has worked on over 20 PPP procurements. Mr. Ball previously worked at the Bilfinger Group before taking on his current role with the Group.<br><br>Prior to joining Bilfinger Group, Mr. Ball was a senior member of the North American infrastructure team at Babcock & Brown and was instrumental in helping establish Babcock & Brown's infrastructure business in Canada. Prior to joining Babcock & Brown, Mr. Ball was Managing Director and co-head of infrastructure for North America for ABN AMRO Bank. During his tenure at ABN AMRO, Mr. Ball led the M&A transactions for a portfolio of infrastructure PPP projects with an enterprise value of over $950 million. From 2002 until September 2005, Mr. Ball worked at Macquarie Bank where he helped establish Macquarie's infrastructure practice in Western Canada. Prior to that, Mr. Ball worked within the investment banking group at both RBC Capital Markets and CIBC World Markets. Mr. Ball obtained a Bachelor of Commerce degree from Queen's University in Canada, is a CFA charter holder and is a graduate of the Rotman School of Business Directors Education Program at the University of Toronto. |

# Appendix - Experienced Internal Management Team

A Global Infrastructure Company

## Senior Management

**Duncan Ball**
Co-CEO

**Frank Schramm**
Co-CEO

## Finance and Reporting

**Michael Denny**
Finance Director

**Ian Tayler**
General Manager

**Israel Basilio**
Head of Accounting

**Marc Vercauteren**
Associate Director, Finance

**Georgi Shopov**
Senior Analyst

**Rachael Glynn**
Accountant

## Asset Management

**Arne Speer**
Director

**Volker Ellenberg**
Director

## Acquisitions

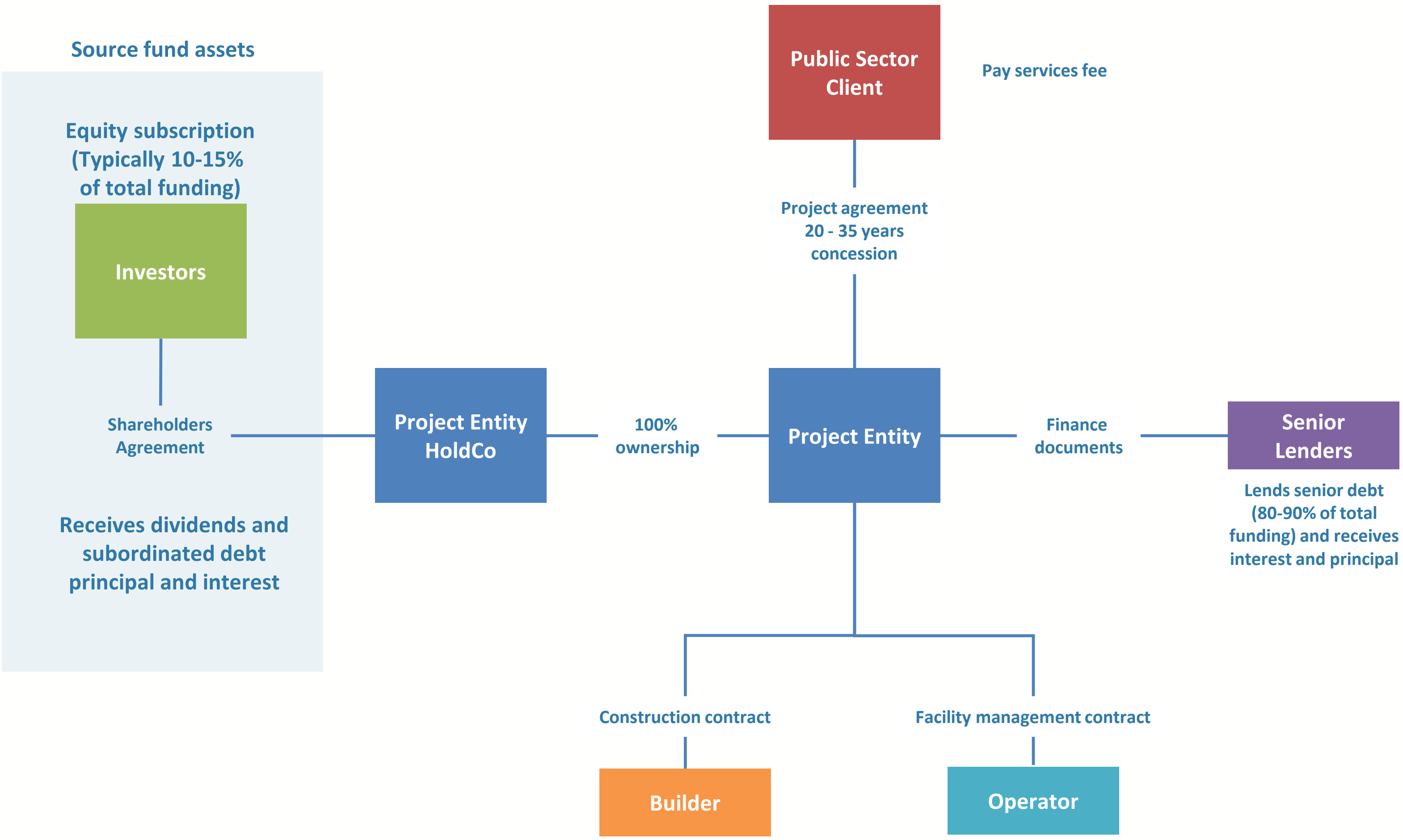
**Thibault Cheyroud**
Director

## Administration

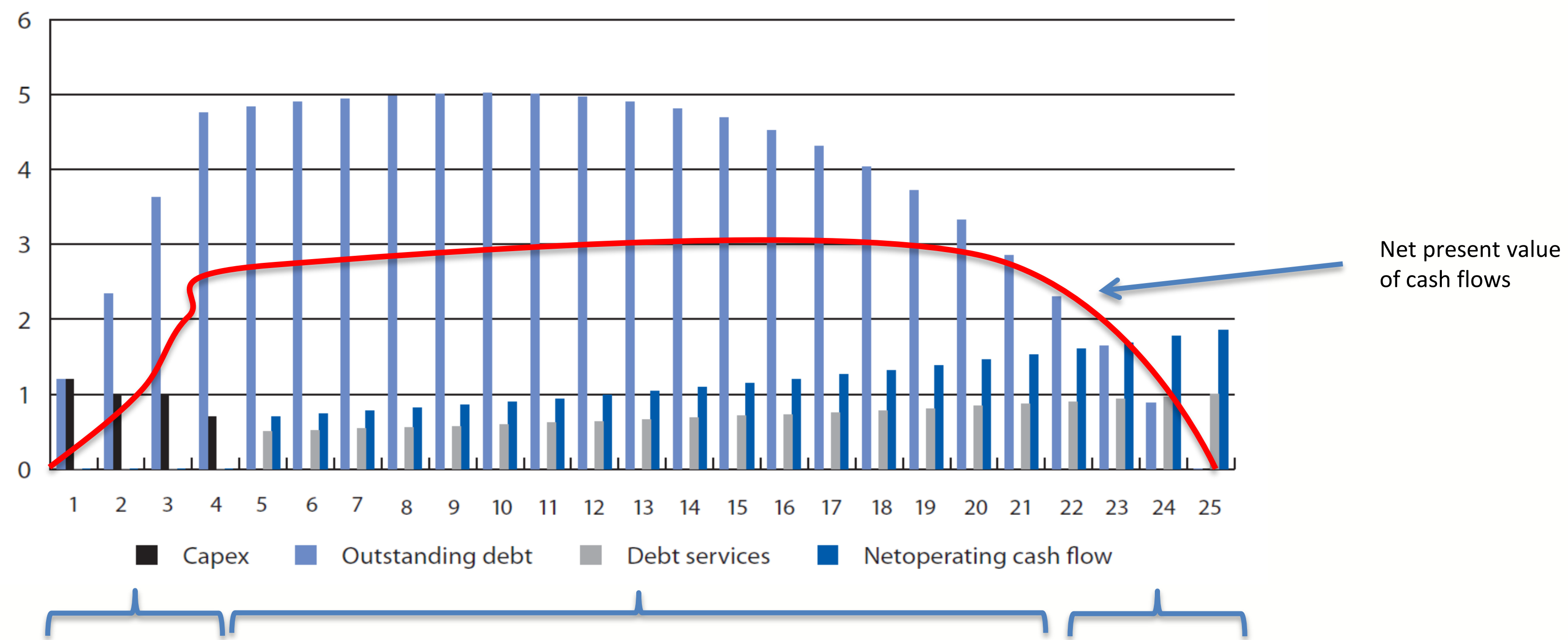
**Cornelia Fritsch**
Administration / Company Secretary

**Joanna Hein-Hartmann**
Executive Assistant / Office Manager

# Appendix Typical PPP/PFI structure



# Appendix Cash flow profile of a typical PPP/PFI project




| Construction Phase | Income Phase | Capital Repayment Phase |
|---|---|---|
| Construction Risk<br>No Income | Cash flow from interest on and repayment of subordinate debt and equity dividends | Increased equity distributions once debt is repaid |
| As projects reach construction completion, risks associated with the cash flows decrease and the discount rate applied to cash flows decreases | Once operational, cash flows from PPP/PFI projects are very predictable | As the end of the concession approaches, payments to investors are a return of capital |

# Contact Details

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