2012 ANNUAL REPORT




Bilfinger Berger Global Infrastructure SICAV S.A.

Registre de Commerce et des Sociétés Luxembourg: B163879

BILFINGER BERGER
Global Infrastructure

CAUTIONARY STATEMENT

Pages 2 to 28 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 all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Directors 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 report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Bilfinger Berger Global Infrastructure SICAV S.A. and its subsidiaries when viewed as a whole.

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North West Anthony
Henday Drive.
Edmonton, Alberta Canada.

2012 FINANCIAL AND OPERATIONAL HIGHLIGHTS

- A 6.16% increase in Net Asset Value on an investment basis ("Investment Basis NAV")* to £220.34 million as at 31 December 2012 (£207.56 million – 31 December 2011)
- Investment Basis NAV per share of 103.5 pence as at 31 December 2012 (97.9 pence – 31 December 2011) which represents an increase of 5.72%
- International Financial Reporting Standards (IFRS) NAV of £206.6 million***
- Net profit under IFRS basis of £21.9 million
- 2012 interim dividend of 2.75 pence per share paid on 19 October 2012, with a scrip dividend alternative
- Further dividend of 2.75 pence per share proposed for the year ended 31 December 2012, with a scrip alternative, giving total distributions of 5.5 pence for the year
- Shares continue to trade at a premium to Investment Basis NAV, and stood at a premium of 4.8% as at 31 December 2012
- Total Shareholder return since listing in December 2011 to 31 December 2012 of 11.6%**
- Completed the acquisition of the Seed Portfolio from Bilfinger Group
- Portfolio performance and cash receipts were in-line with plan
- Entry to FTSE SmallCap and AllShare Index in March 2012
- Executed £35 million credit facility with RBS, National Australia Bank and KfW in July 2012
- Completed the acquisition of minority stakes from co-shareholder in three projects for £5.3 million
- Completed the acquisition of an investment in the Barking & Havering Local Improvement Finance Trust (LIFT) Project for £5.8 million
- A pipeline of further investment opportunities currently being considered
- Average discount rate of 8.51% compared to an average rate of 8.50% used at 30 June 2012

* Refer to page 23, Financial Results for further detail on Investment Basis NAV
** Based on share price at 31 December 2012 and after adding back dividends paid during the year
*** A reconciliation of the balance sheet and income statement under the Investment Basis and under IFRS is shown on pages 25 and 26

COMPANY OVERVIEW

Bilfinger Berger Global Infrastructure SICAV S.A.
Announces results for the year from 1 January to 31 December 2012

Bilfinger Berger Global Infrastructure SICAV S.A. ("BBGI", or the "Company" or, together with its 100% owned holding company, 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 CSSF under Part II of 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.

BILFINGER AT A GLANCE

- Global, geographically diversified portfolio of 20 high quality PPP/PFI infrastructure assets with strong yield characteristics, contracted Government-backed revenue streams, inflation linked returns and long-term contracts
- 98.8% of the assets are operational assets with a focus on social infrastructure and availability-based roads infrastructure
- 49% of the assets are located in the UK, 24% in Canada, 22% in Australia and 5% in Germany
- Stable cash flows with inflation protection characteristics
- Potential value upside from active management of the portfolio
- A pipeline of future investment opportunities
- Minimum 5.5% target dividend yield*
- 7%-8% target IRR*
- Internally managed fund with an experienced PPP/PFI in-house management team

* These are targets only and not profit forecasts, based on the issue price of its ordinary shares at the time of the IPO. There can be no assurance that these targets will be met.

KEY CHARACTERISTICS OF BBGI

COMPANY
- Luxembourg SICAV
- Chapter 15 Premium Listing on the UK Official List
- £ denominated shares

NUMBER OF SHARES AT ISSUE
- 212,984,715

SHARE PRICE as of31 December, 2012
- £1.08375

MARKET CAPITALIZATION
as of 31 December, 2012
- £230.8 million

INVESTMENT BASIS NAV PER ORDINARY SHARE
as of 31 December, 2012
- £1.035

IFRS BASED NAV PER ORDINARY SHARE
as of 31 December, 2012
- £0.970

NET CASH ON AN INVESTMENT BASIS
as of 31 December, 2012
- £14.4 million

IFRS PROFIT AFTER TAX
- £21.9 million

ISA, PEP AND SIPP STATUS
- The Ordinary Shares are eligible for inclusion in PEPs and ISAs (subject to applicable subscription limits) provided that they have been acquired by purchase in the market or through the Offer for Subscription at IPO. The Ordinary Shares are also permissible assets for SIPPS

ISIN OF THE ORDINARY SHARES
- LU0686550053

SEDOL OF THE ORDINARY SHARES
- B6QWXM4

LONDON STOCK EXCHANGE TICKER
- BBGI
- Part of the FTSE All Share Index

INVESTMENT POLICY
- Infrastructure assets – PPP/PFI or equivalent
- Principally operational assets and availability based revenues
- Public sector or government-backed counterparties with diverse risk profiles
- Single asset target limit of 20% of portfolio, subject to 25% maximum
- Construction assets limited to maximum 25% of portfolio
- Demand based assets limited to maximum 25% of portfolio

PORTFOLIO
- 20 projects with a fair market value of circa £219 million independently reviewed semi-annually
- Weighted average concession length of 24.6 years
- Weighted average debt maturity is 22.8 years
- 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
- No structural gearing
- £35.0 million credit facility in place to fund acquisitions with £22.1 million available undrawn balance as of 31 December 2012

GROWTH
- Pipeline Agreement with Bilfinger SE and its subsidiaries ("Bilfinger Group") provides a flow of future opportunities
- Right of first offer to tender for Bilfinger Group's future PPP assets until 2016
- Further potential to acquire assets from parties other than Bilfinger Group

COMPANY STRUCTURE

MANAGEMENT

- Internal management team with extensive PPP/PFI experience
- Management team's interests are aligned with shareholders
- Experienced Supervisory Board

TARGET DIVIDEND YIELD

- Initial target rate of 5.5% yield on issue price with the aim of progressively increasing this over the longer term*

TARGET IRR

- 7% -8% on the original issue price in December 2011*

INTERNALLY MANAGED

- Internal management with no fees payable to an external manager (i.e. no fund manager fees, no performance fees, no acquisition fees, etc.)
- Ongoing charges percentage of 1.44% of average undiluted net asset value for the period**
- Ongoing charges percentage expected to continue to decrease as portfolio increases in size, largely because no asset-based management fees

DISCOUNT MANAGEMENT

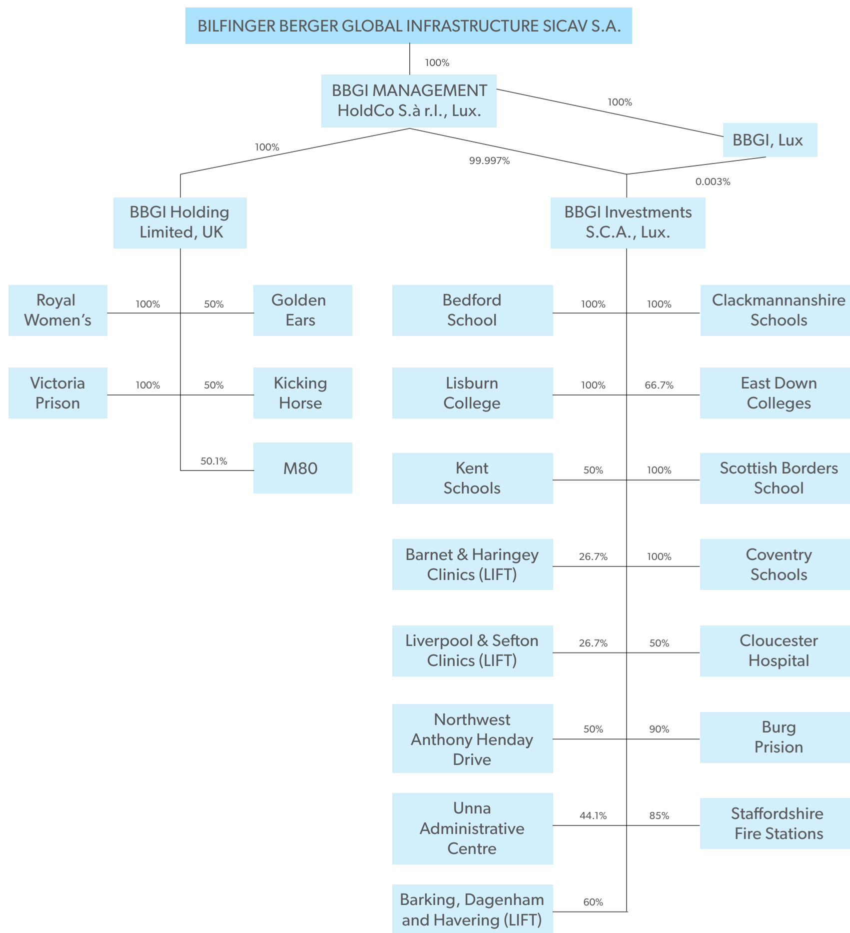
- Ability to make discretionary share repurchases by way of market purchases or tender offers
- Continuation vote at the Company's annual general meeting in 2015 and subsequently every 2 years

FINANCIAL DATES

- Year end: 31 December
- Dividends payable: in respect of the six months to 30 June and 31 December
- Investment Basis NAV updates: 30 June and 31 December reviewed by third party

WEBSITE

- www.bb-gi.com



NOTE:

* These are targets only and not profit forecasts; there can be no assurance that these targets will be met.

** The AIC published new guidance in 2012 in relation to the calculation of ongoing charges that is defined as annualised ongoing charges (i.e., excluding acquisition costs and other non-recurring items) divided by the average undiluted net asset value in the period. This replaces the Total Expense Ratio ("TER") as previously reported at 30 June 2012. The target TER at IPO was 1.55%

David Richardson
Chairman

CHAIRMAN'S STATEMENT

I am delighted to preface this report on the first full year of your Company. I encourage you to read the report of the Management Board which sets out in detail the Company's achievements, and to vote at the forthcoming AGM either in person or by proxy.

PERFORMANCE AND FINANCIAL RESULTS

Over the last twelve months your Company has developed into a fully functioning investment management company. The Management Board has worked tirelessly on your behalf. They have successfully acquired the whole of the seed portfolio from Bilfinger SE (formerly Bilfinger Berger SE) with the final transfer taking place in the last days of 2012. They have put in place reporting and governance mechanisms to enable them to have satisfactory control over each of the Special Purpose Vehicles ("SPVs") and assets. They have also put in place the staff, policies, processes and systems to ensure that BBGI can perform its duties as a listed company. I thank them on your behalf.

Your Company has grown its asset base by acquiring £11 million of assets in four transactions from third parties.

On an Investment Basis, the net asset value has increased by 6.16% to £220.34 million and cash receipts have been in line with forecast at £20.5 million.

On a consolidated basis in line with International Financial Reporting Standards ("IFRS") net asset value is £206.6 million and profit for the year of £21.9 million has been generated.

DIVIDENDS

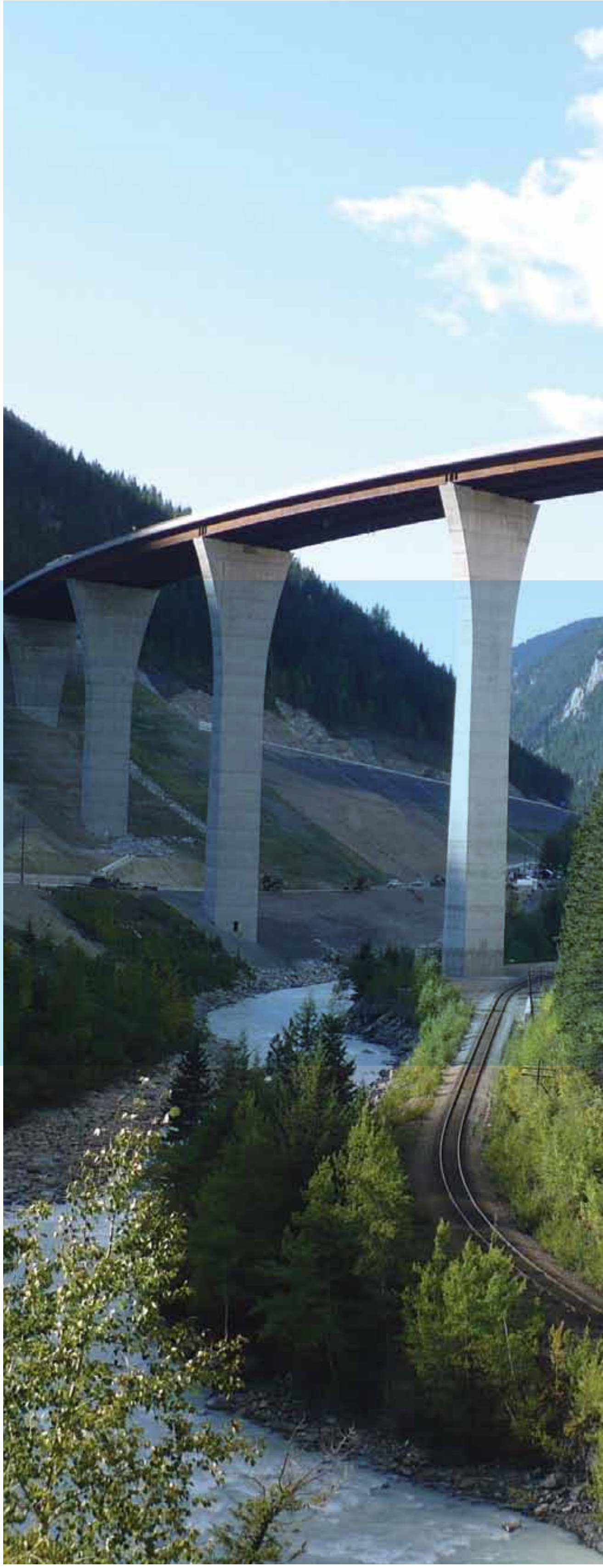
An interim dividend in respect of 2012 of 2.75p per share was paid on 19 October and your Directors are recommending to shareholders that a further 2.75p is paid as a final dividend for 2012 in June 2013 making a total of 5.5p per share for the year.

CORPORATE GOVERNANCE AND THE BOARD

Your Company has a Premium Listing on the London Stock Exchange and we comply with the UK Corporate Governance Code through adopting the AIC Code of Corporate Governance. In so doing we recognise that our two tier Board structure is unusual for UK quoted companies but in essence the Supervisory Board carries out those tasks normally restricted to non-executive directors and the Management Board comprises executive directors.

I am very pleased with the way the Management Board and the Supervisory Board have worked together. All Directors have made time to build and appreciate the mutual respect which forms the basis for the Board being able to fulfil its responsibilities with diligence and rigour. Our processes have been developed throughout the year and improved by suggestions from all parties who have used their broad experience to the Company's benefit.

Kicking Horse Canyon, B.C., Canada



In accordance with best practice, the annual evaluations of the Boards, the Committees and my own performance have been carried out diligently and fully discussed by both Boards. In this way I expect our processes to continue to evolve to meet the needs of the Company.

The Management Board consists of Duncan Ball, Frank Schramm and Arne Speer. During the year Michael Denny was recruited as the Finance Director for the Group. Both Boards have agreed that, subject to CSSF approval, Michael should be appointed to the Management Board with effect from 30 April 2013. In order to keep the balance of the Board we have agreed with Arne Speer that he will step down from the Management Board at the same time but be appointed to the Board of BBGI Management HoldCo S.à.r.l. and continue in his role as Director Asset Management. Arne has given the Group invaluable support over the past 16 months in his role as Director. On behalf of the shareholders I would like to thank Arne for his considerable input and I look forward to continuing to work closely with him in the future.

OUTLOOK

The Company's portfolio of assets has performed well through a period when equity markets generally have been volatile and we continue to expect the portfolio to perform in line with the forecasts in the valuation models. Accordingly both the Supervisory Board and the Management Board are confident in the Company's ability to deliver predictable dividends to shareholders.

The Management Board is actively engaged in looking at acquisition opportunities both from the Bilfinger Group under the Pipeline Agreement and from 3rd parties.

In light of the Pipeline Agreement and further attractive investment opportunities that the Management Board believes should arise over the near term, the Supervisory Board is considering raising additional capital through the issue of new ordinary shares in the Company. The Company is therefore seeking the requisite consent of shareholders for the disapplication of pre-emption rights at the Company's AGM to be held on 30 April 2013. Any fundraising is expected to be structured to include an "open offer" ensuring that a portion of the new ordinary shares are reserved in the first instance exclusively for existing shareholders.

A further announcement giving details of the amount and timing of the proposed fundraising will be made at the appropriate time.

DAVID RICHARDSON

Chairman
Bilfinger Berger Global Infrastructure SICAV S.A.
27 March 2013

BOARD MEMBERS

Management Overview

The Company has a two tier governance structure which comprises the Supervisory Board and the Management Board.

SUPERVISORY BOARD

as at 31 December 2012

DAVID RICHARDSON

Chairman

David Richardson currently holds a number of non-executive directorships, including Senior Independent Director of Serco Group plc, Chairman of Four Pillars Hotels and non-executive Director of Assura Group. Mr Richardson is the Chairman of the Corporate Governance Committee of the Institute of Chartered Accountants in England and Wales. Mr Richardson's executive career 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.

Mr Richardson has previously served as Chairman of the London Stock Exchange Primary Markets Group (where he continues to be a member), Forth Ports plc. and De Vere Group plc., and has also held non-executive directorships at Tomkins plc., Dairy Crest plc. 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

Senior Independent Director

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 Limited ("KBIM"), as well as a Director of Kleinwort Benson Group plc.

From 1996 to 2000 Mr Maltby was Chief Investment Officer at Equitas Ltd; from 2000 to 2007 he worked for BP, as Chief Executive of BP Investment Management Ltd and Head of Investments at BP plc. Since 2007, he has served as an 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

Independent Director and Chairman of the Audit Committee

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.

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.

THOMAS TÖPFER

Director

Thomas Töpfer started his career as a management consultant, from 1986, before joining Rheinhold & Mahla AG (renamed Bilfinger Berger Industrial Services AG in 2006) as a General Manager of one of its divisions in 1995. He was appointed Chairman of the Management Board of Rheinhold & Mahla AG in July 2004 and also served as its Chief Executive Officer until September 2010.

Since 2009, he has acted as a Member of the Executive Board at Bilfinger SE where he is responsible for Industrial Services, Project Investments, Health, Safety, Environment and Quality Management.

Mr Töpfer holds a Degree in Economics from the University of Würzburg.

MANAGEMENT BOARD

as at 31 December 2012

DUNCAN BALL

Joint CEO of BBGI

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 is Co-CEO of Bilfinger Berger Global Infrastructure (BBGI) with Frank Schramm and also worked at Bilfinger Group before taking on his current role. Mr Ball joined Bilfinger Berger Project Investments (BBPI) in 2008 and was responsible for arranging and managing all project finance activities related to BBPI's PPP projects in North America.

Prior to joining BBPI, 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 ABN AMRO Bank in North America. During his tenure at ABN AMRO, Mr Ball led the M&A transaction 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. From 1990 to 2002, Mr Ball worked in 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.

FRANK SCHRAMM

Joint CEO of BBGI

Frank Schramm has worked in the PPP sector, investment banking and advisory business for over 15 years. Prior to becoming Co-CEO of Bilfinger Berger Global Infrastructure, he worked at Bilfinger Group where he was a Co-Managing Director of Bilfinger Berger Project Investments GmbH and Bilfinger Berger Project Investments Ltd. and led 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 €4 billion and for acting as shareholder representative in various investments. In addition, he was responsible for the European development activities.

Prior to this role, Mr Schramm was Finance Director of BBPI Europe GmbH (BBPI) and was responsible for all project finance activities in Continental Europe. Mr Schramm was also responsible for the sale of PPP assets in 2010, 2007 and 2006. While at BBPI Mr Schramm was involved in over 15 PPP procurements and was involved in either the procurement or the asset management of the European investments in the seed portfolio that were sold to BBGI. Before joining BBPI, 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 from 1995 to 1998.

ARNE SPEER

Director BBGI

Arne Speer has worked in the PPP, asset management and construction sector since the mid-1990s. Before assuming his current position at BBGI he worked for Bilfinger Project Investments which he joined in 2002 and from 2008 to 2011 he was responsible for the asset management function for several European transport and social projects. In this role, Mr Speer was asset manager of eight PPP investments with a project volume of €2.8 billion. In addition, he was chairman or a board representative on eight special purpose companies for these PPP investments.

Mr Speer was either participating in or responsible for the bidding of over ten PPP projects. He has been involved in the bidding, negotiation, financing, project documentation, construction management, client interface, handover and commencement of operation of various transport and social PPP projects.

From 1996 to 2002, Mr Speer worked for a civil engineering and construction firm where he was involved in project management, bid development, onsite construction, supervision, cost consultancy, quality assurance, safety and claims management. These works included conventional delivery and PPP

BUSINESS REVIEW

Business of the Company

We are very pleased to present our first full year results as a publicly traded company for the year ended 31 December 2012.

The Management Board has decided to present the management report for the consolidated financial statements and the standalone financial statements as a single report.

Bilfinger Berger Global Infrastructure SICAV S.A. 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 CSSF under Part II of the Luxembourg Law of 17 December 2010 on undertakings for collective investment.

The Company's ordinary shares were 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.

HIGHLIGHTS

BBGI's stated goals for 2012 were to complete the Seed Portfolio acquisition from the Bilfinger Group, bed in the acquisitions, actively manage the portfolio to enhance returns, and position ourselves for continued selective growth, sourced from the Bilfinger Group and from other parties.

BBGI has made good progress in its first full year as a public company towards the realisation of its objectives, which can be summarized as follows:

- A 6.16% increase in Net Asset Value on an investment basis ("Investment Basis NAV") to £220.34 million as at 31 December 2012 (£207.56 million – 31 December 2011)
- Investment Basis NAV per share of 103.5 pence as at 31 December 2012 (97.9 pence – 31 December 2011) which represents an increase of 5.72%
- International Financial Reporting Standards (IFRS) NAV of £206.6 million
- Net profit under IFRS basis of £21.9 million
- 2012 interim dividend of 2.75 pence per share paid on 19 October 2012, with a scrip dividend alternative
- Further final dividend of 2.75 pence per share proposed for the year ended 31 December 2012, with a scrip alternative, giving total distributions of 5.5 pence for the year
- Shares continue to trade at a premium to Investment Basis NAV of 4.8% as at 31 December 2012
- Total shareholder return since listing in December 2011 to 31 December 2012 of 11.6%
- Completed the acquisition of the Seed Portfolio from the Bilfinger Group
- Established asset management reporting protocols
- Portfolio performance and cash receipts were in-line with plan
- Entry to FTSE SmallCap and All Share Index in March 2012
- Executed £35 million credit facility with RBS, National Australia Bank and KfW in July 2012
- Completed the acquisition of additional stakes from co-shareholder in three projects for £5.3 million
- Completed the acquisition of an investment in the Barking & Havering Local Improvement Finance Trust (LIFT) Project for £5.8 million
- A pipeline of further investment opportunities currently being considered

THE SEED PORTFOLIO

On 6 December 2011 BBGI Management HoldCo S.à r.l. ("BBGI Management HoldCo") entered into a sale and purchase agreement with the Bilfinger Group companies with the intention to acquire 19 separate project entities referred to below as the seed portfolio.

The seed portfolio consists of direct or indirect interests in separate projects developed under the Private Finance Initiative ("PFI") and the LIFT Schemes of the UK government, and similar Public Private Partnership ("PPP") programmes in Canada, Australia and Germany (the "Seed Portfolio"). The fair market value of the Seed Portfolio was calculated in aggregate to be £206 million as at 6 December 2011.

Clockwise from top: Gloucester Hospital, UK; Primary Health Care facilities, Barnet, Enfield, UK; Marngoneet Correctional Centre, near Melbourne, Australia.

The acquisition of 17 of the assets within the Seed Portfolio occurred in the first quarter of 2012. The transfer of the two remaining assets, the Unna Administrative Centre and M80 Motorway occurred in September and December 2012, respectively.

Under the terms of the acquisition agreement, at completion in respect of each project entity, BBGI acquired all cash flows from such project entities from 1 October 2011 onwards, so there was no adverse effect from the two assets transferring later than originally expected. In fact, until completion of transfer of each asset occurred, BBGI benefitted from interest earned on amounts held on deposit pending completion of the purchases.

RELATIONSHIP WITH BILFINGER GROUP

Bilfinger Group is an international multi service group which includes the concession business of Bilfinger Project Investments ('BPI'), an investor, developer and operator of large public infrastructure projects.

The assets acquired by BBGI from BPI represented all of Bilfinger Group's shareholdings in those particular PPP/PFI projects, with the exception of the Golden Ears Bridge Project where a stake of 50% was retained by BPI, although this remaining stake is subject to the Pipeline Agreement.

The Bilfinger Group together with the Bilfinger pension fund holds 19.8% of the ordinary shares of the Company. This includes the 5 million shares which were transferred from Bilfinger Project Investments GmbH to a Bilfinger pension fund during the year ended 31 December 2012.

ACQUISITIONS FROM THIRD PARTIES

In August 2012, BBGI completed the acquisition of additional equity interests in three PFI/PPP project entities from Graham Investment Projects Ltd for approximately £5.3 million. The interests included a 25% stake in Scottish Borders Schools, a 16.66% stake in East Down Colleges and a 50% stake in Lisburn Colleges, all located in the UK. As a result of the acquisitions, BBGI's interests in the project entities increased to 100% in Scottish Borders Schools, 66.66% in East Down Colleges and 100% in Lisburn Colleges. All of the projects are operational and are supported by contracted, public sector-backed revenue streams, with inflation-protection characteristics.

In November 2012, BBGI completed the acquisition for £5.8m of a 60% equity and loan note interest in the Barking & Havering LIFT project ("BDH LIFT Project"), from joint sellers Barclays European Infrastructure Fund II Limited Partnership and Miller (Barking & Havering) Ltd. The BDH LIFT Project comprises 10 buildings for the provision of strategic accommodation for primary and community based health and social care in the London boroughs of Barking and Dagenham, and Havering. Built by Miller Construction for a total capital cost of approximately £54 million, the buildings were completed between 2005 and 2009. Hard facilities management services are undertaken by the Miller Services Business, Asset 24.

The BDH LIFT Project has the concession to continue to provide primary and community care facilities in the region which extends until 2033. The acquisition was funded from the Company's debt resources.
All of the acquisitions completed by the Company in 2012 were done on a negotiated basis and the Company did not have to engage in a competitive auction process.

REPRESENTATION AT PROJECT LEVEL

With regard to the project entities acquired, the Management Board has taken, in all except two minority investments two board seats within each portfolio asset. More information on the performance of the project entities is provided in the Valuation section below.

SHARE CAPITAL

The issued share capital of the Company is 212,984,715 ordinary shares with a nominal value of £1 each. All of the ordinary shares issued rank pari passu. There are no special voting or other rights attaching to any of the ordinary shares.

VOTING RIGHTS

There were no restrictions on the voting rights attaching to ordinary shares.

DETAILS OF SUBSTANTIAL SHAREHOLDERS

As at 10 March 2013 the management are aware of the following shareholders holding more than 5% of the Company's ordinary shares.

NAME	HELD	% OF TOTAL SHARE CAPITAL
BILFINGER PROJECT INVESTMEMTS GmbH*	37,188,000	17.5
SCHRODER INVESTMENT MANAGEMENT	26,170,255	12.3
M&G INVESTMENTS	18,294,340	8.6
INVESTEC WEALTH MANAGEMENT	17,330,313	8.1
CHEVIOT INVESTMENT MANAGEMENT	11,813,566	5.5

*During the year 5 million shares were transferred from Bilfinger Project Investments GmbH to a Bilfinger pension fund.

DISCOUNT MANAGEMENT

Although the Company's shares have traded at a premium since flotation, the Management Board will continue to actively monitor any discount to the net asset value per ordinary share at which the ordinary shares may trade in the future. The Management Board will report to the Supervisory Board on any such discount and propose actions to mitigate this.

PURCHASES OF ORDINARY SHARES BY THE COMPANY IN THE MARKET

In order to assist in the narrowing of any discount to the net asset value at which the ordinary shares may trade from time to time and/or to reduce discount volatility, the Company may, subject to shareholder approval:

- Make market purchases of up to 14.99% p.a. of its issued ordinary shares
- Make tender offers for the ordinary shares

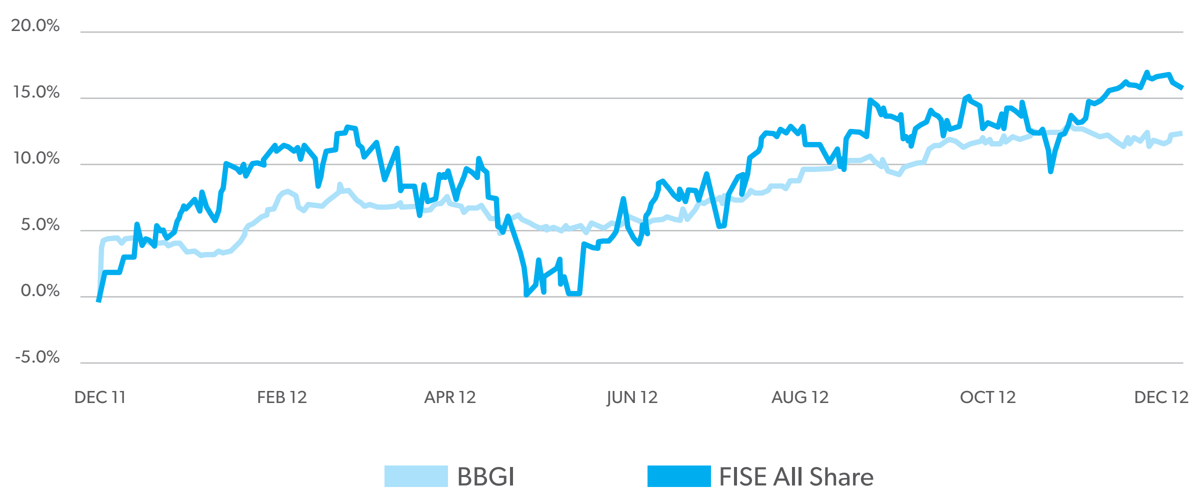
SHARE REPURCHASES

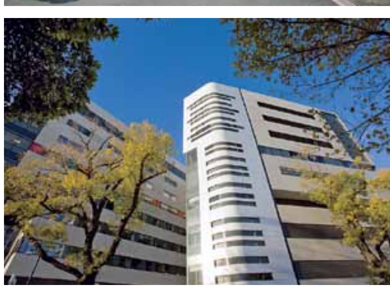
No shares have been bought back in the year. The most recent authority to purchase ordinary shares for cancellation was granted to the Directors on 30 April 2012 and expires on the date of the next Annual General Meeting ("AGM"). The Directors are proposing that their authority to buy back shares be renewed at the forthcoming AGM.

SHARE PRICE PERFORMANCE

At a time of economic uncertainty and volatile equity markets, the Company's share price has performed well and has maintained a premium to net asset value. We continue to believe that a key benefit of the portfolio is the high quality cash flows that are derived from long-term government backed contracts. As a result, the portfolio performance is largely uncorrelated to the many wider economic factors which are causing market volatility in other sectors.

The share price closed the year at £1.0837, an increase of 4.2% in 2012. The shares traded at a premium to net asset value throughout the year in a range from £1.025 to £1.09125. The drops in share price in May and September reflected the shares going ex-dividend. Total Shareholder return since listing on 21 December 2011 to 31 December 2012 was 11.6% which compares favourably to the Company's total return target. The FTSE all share index return since 21 December 2011 was 15.4%.





Top photo: The Malling School, Kent, UK; middle: Caludon Castle School and Community College, Coventry, UK; bottom: Royal Women's Hospital, Melbourne Australia

FTSE SMALL CAP AND ALL SHARE INCLUSION

Following the quarterly review of the FTSE's UK Index Series on 7 March 2012, the Company's shares were included in the FTSE Small Cap and All Share indices, effective following the close of the market on 16 March 2012.

HEDGING

The Management Board has successfully implemented its policy of hedging forward a significant portion of its anticipated foreign currency cash flows. In June 2012, the Company hedged future AUD and CAD cash flows over a four year timeline. The Company seeks to provide protection to the level of £ dividends that the Company aims to pay on the ordinary shares, and in order to reduce the risk of currency fluctuations and the volatility of returns that may result from such currency exposure. The Company does not currently hedge the future Euro cash flows as it is envisaged that these cash flows will be used to cover the fund's running cost which are largely euro denominated. Management will review this position on an annual basis.

The Company will review the hedging strategy on an annual basis. The Company currently uses forward contracts to hedge against exchange rate exposure.

FINANCING

In July 2012 the Company entered into a 3 year £35 million revolving credit facility and letter of credit option with three lenders (The Royal Bank of Scotland plc, National Australia Bank Limited and KfW IPEX-Bank GmbH) to finance acquisitions, to provide letters of credit for outstanding equity obligations or for working capital purposes (to a limit of £5 million). The arrangement fee was 1.5% and the margins are 2.25% over LIBOR when loan to value is less than 20% and 2.75% over LIBOR when loan to value is greater than or equal to 20%. The commitment fee is 1.00% of the undrawn balance per annum.

As of 31 December 2012 £22.1 million was available to be drawn down.

At 31 December 2012 the Company was not in breach of any of the covenants under the credit facility.

The Company has operated and continues to operate comfortably within the covenant limits.

In accordance with AIC Code of Corporate Governance Principle 21 the consequences of a material breach of the borrowing covenants are stated below. On and at any time after the occurrence of an event of default which is continuing the agent may, and shall if so directed by the majority lenders:

a) Cancel the total commitments
b) Declare that all or part of the amounts drawn, together with accrued interest, and all other amounts accrued or outstanding under the agreement be immediately due and payable
c) Declare that all or part of the drawn amounts be payable on demand, at which time they shall immediately become payable on demand by the agent on the instructions of the majority lenders
d) Declare that cash cover in respect of each letter of credit is immediately due and payable
e) Declare that cash cover in respect of each letter of credit is payable on demand at which time it shall immediately become due and payable on demand by the agent on the instructions of the majority lenders
f) Exercise or direct the security agent to exercise any or all of its rights, remedies, powers or discretions under the agreement

Additionally, the Company is able to issue up to 10% of its issued share capital via tap issues in order to finance further acquisitions. The Company does not use structural gearing.

Apart from the Royal Women's Hospital, the individual PFI/PPP projects in the portfolio all have long term amortizing debt in place which does not need to be refinanced. The Royal Women's Hospital has one tranche of debt (approx. 4% of the total long term debt of the project entities), which needs to be refinanced between 2017 and 2021. As at 31 December 2012, the weighted average PPP project concession length remaining was 24.6 years and the weighted average portfolio debt tenor was 22.8 years.

DISTRIBUTION POLICY

Distributions on the ordinary shares are planned to be paid twice a year, normally in respect of the six months to 30 June and 31 December. Subject to market conditions and to the level of the Company's income, it is intended that distributions will be paid as annual dividends subsequent to shareholder approval at the AGM at the end of April and as interim dividends in October of each year.

The Company plans to continue to offer shareholders the right to elect to receive further shares, credited as fully paid, instead of cash in respect of all or any part of any dividend (a scrip dividend alternative).

DIVIDENDS

On 31 May 2012, the Company paid an initial dividend of 0.45 pence per share for the initial period to 31 December 2011. On 19 October 2012, an interim dividend of 2.75 pence per share was paid with a scrip dividend alternative. In addition to the interim dividend the Company proposes a final dividend of 2.75 pence per share for the year ended 31 December 2012, with a scrip alternative, giving total distributions of 5.5 pence for the year.

Overall, the performance of the portfolio is in line with expectations. Since the project entities were acquired, distributions have been received as forecasted.

RELATIONSHIP WITH CLIENTS

The Management Board has worked hard to maintain a good dialogue with the group's public sector clients and partners. It is engaged in identifying efficiencies and facilitating variations which benefit both shareholders and public sector clients. Overall, the working relationship with partners is considered strong.

Across the entire portfolio, BBGI remains comfortable with the counter-party risk of the public sector clients and the Management Board is not aware of any instances of financial distress. One point to note is that the public sector clients (Primary Care Trusts) in the three LIFT projects are to be restructured by or before the end of March 2013. The Department of Health proposed that Community Health Partnerships will take over the obligations from the Primary Care Trusts. It is however not clear if there will be a form of guarantee from the government for the new clients' obligations.

Facility management continues to be performed at a high level with no major incidents to report.

GOING CONCERN BASIS OF ACCOUNTING

The Supervisory Board has examined significant areas of possible financial risk including cash and cash requirements. They have 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 financial statements.

The Supervisory Board has satisfied itself that the Company has adequate resources to continue in operational existence for the foreseeable future. After due consideration, the Supervisory Board believes it is appropriate to adopt the going concern basis in preparing the financial statements. Please see note 2 to the accounts.

SUBSEQUENT EVENTS

There have been no significant subsequent events from 31 December 2012 to the date of approval of the financial statements.

INCORPORATION AND ADMINISTRATION

The ordinary shares are created in accordance with Luxembourg law and conform to the Companies Law and the regulations made thereunder, have all necessary statutory and other consents and are duly authorised according to, and operate in conformity with, the Articles of Incorporation.

ARTICLES OF INCORPORATION

The Articles of Incorporation were approved and formalised before the Luxembourg notary public on 24 November 2011. The Articles are filed with the Luxembourg Registre de Commerce et des Sociétés and are published in the Mémorial. A copy of the Articles is available for inspection at the offices of Hogan Lovells International LLP, Atlantic House, Holborn Viaduct, London EC1A 2FG and at the registered office of the Company during normal business hours.

AMENDMENTS TO THE ARTICLES

The Articles may be amended in accordance with the rules set out in article 32 of the Articles.

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 monthly basis as at 30 June and 31 December each year. An independent third party has reviewed this valuation.

The valuation is determined using discounted cash flow methodology. The cash flows forecasted 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. The valuation methodology is the same one used for the valuation of the portfolio last year and as part of the Company's mid-year results.

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

MACRO-ECONOMIC ASSUMPTIONS

END OF PERIOD	31-DEC-2013	31-DEC-2014	LONG TERM
UK			
Indexation (%)	2.75	2.75	2.75
Deposit Interest Rate (%)	1.0	2.0	3.0
SPC Corporate Tax (%) (5)	23.0	23.0	23.0
CANADA			
Indexation (%) (1)	2.00/2.35	2.00/2.35	2.00/2.35
Deposit Interest Rate (%)	1.0	2.0	3.0
SPC Corporate Tax (%)	25.0	25.0	25.0
GBP/CAD as at 31 Dec 2012 (2)	1.611	1.611	1.611
AUSTRALIA			
Indexation (%)	2.50	2.50	2.50
Deposit Interest Rate (%) (3)	4.00/5.00	4.00/5.00	4.00/5.00
SPC Corporate Tax (%)	30.0	30.0	30.0
GBP/AUD as at 31 Dec 2012 (2)	1.558	1.558	1.558
GERMANY			
Indexation (%)	2.00	2.00	2.00
Deposit Interest Rate (%)	1.0	2.0	3.0
SPC Corporate Tax (%) (4)	15.8	15.8	15.8
GBP/EUR as at 31 Dec 2012 (2)	1.223	1.223	1.223

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

(2) As published on www.oanda.com

(3) Cash on DSRA and MSRA 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) Management have taken a conservative approach with respect to the UK tax rate notwithstanding the recent announcement by the Chancellor of a reduction in the rate to 21% in 2014 and 20% by 2015

OTHER KEY INPUTS AND ASSUMPTIONS INCLUDE:

- Any deductions or abatements during the operation period are passed down to subcontractors.
- Cash flows from and to the Company's subsidiaries and the portfolio investments may be made and are received at the times anticipated.
- Where the operating costs of the Company or portfolio investments are fixed by contract such contracts are performed, and where such costs are not fixed, that they are in line with the budgets.
- The contracts under which payments are made to the Company and its subsidiaries remain on track and are not terminated before their contractual expiry date.

The Investment Basis NAV referred to here and in other sections of this report differs from the basis of recording net assets utilising IFRS. The key differences are that the IFRS statement of financial position includes assets and liabilities valued initially on acquisition at fair value and subsequently at amortised cost, except for investments in associates and joint ventures which continue to be recorded at fair value on the statement of financial position. Further the IFRS net assets have been impacted, amongst other things, by changes in the fair value of financial hedging instruments that are entered into by the Company or its subsidiaries to minimise risk associated with changes in interest rates and foreign exchange.

Over the twelve month period from 31 December 2011 to 31 December 2012 the Company's Investment Basis NAV increased from £207.56 million to £220.34 million. The increase in NAV of £12.78 million or 6.16% is primarily a result of the key drivers listed below:

KEY DRIVERS FOR NAV GROWTH

As part of the asset management activities a portfolio insurance contract was concluded in the second quarter of 2012 for a term of three years which resulted in insurance savings for a number of UK projects due to the economies of scale and risk diversification. The IPO models included tax rates of 27% for the UK projects and have now been reduced to 23%. Additionally the actual inflation on some of the projects was higher than assumed. Furthermore as the Company moves closer to the forecasted dividend payment dates the time value of those cash flows on a net present value basis increases (unwinding of the dividends). A moderate decrease in discount rates from projects finishing construction or reaching a stable operational stage resulted in an uplift of £0.7 million.

FOREIGN EXCHANGE

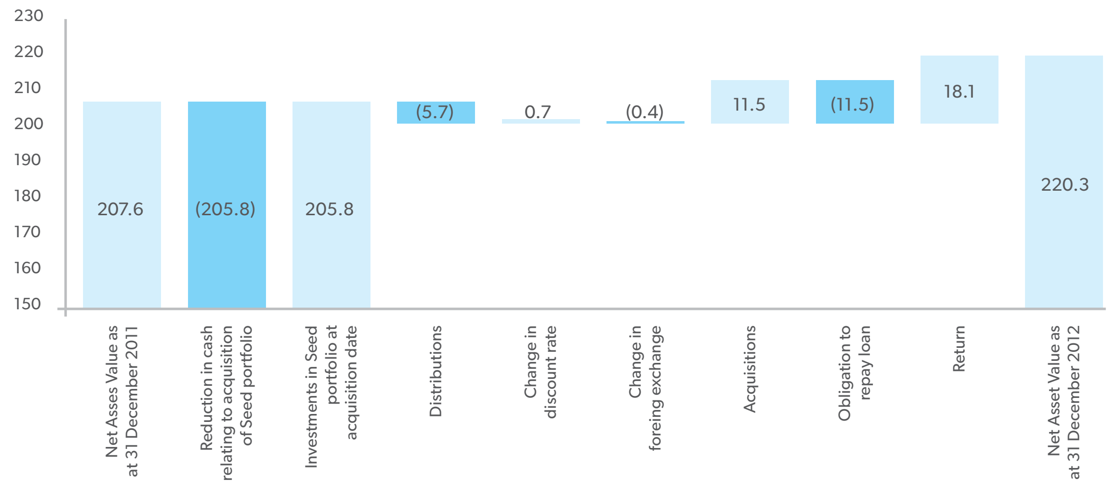
The foreign exchange rates at 31 December 2012 show no change of the Australian dollar, a marginal depreciation of the Canadian dollar against the British pound and a depreciation of the Euro against the British pound. The Company's policy with respect to exchange rate hedging is referred to on page 16 of this report. The net impact of the changes, although negative, was not material.

	F/X RATES IPO VALUATION	F/X RATES AS OF 31 DECEMBER 2012
GBP/AUD	1.559	1.558
GBP/CAD	1.609	1.611
GBP/EUR	1.171	1.223

DISCOUNT RATES

The discount rates used for the individual assets range between 8.05% and 9.0% which on a weighted average basis is approximately 8.51% which compares to average discount rate of 8.50% used at 30 June 2012. The modest increase reflects the acquisition of projects above the average rate since the last valuation date in June 2012. The discount rate used for individual project entities is based on our knowledge of the market, discussions with advisors and publicly available information on relevant transactions.

Investment basis NAV movements 1 January 2012 to 31 December 2012



INVESTMENT BASIS NAV MOVEMENT 31 DECEMBER 2011 TO 31 DECEMBER 2012	£ MILLION
Net Asset Value at 31 December 2011	207.6
Reduction in cash relating to acquisition of Seed Portfolio	(205.8)
Investments in acquired Seed Portfolio at acquisition date	205.8
Distributions	(5.7)
Change in discount rate	0.7
Change in foreign exchange	(0.4)
Acquisitions	11.5
Obligation to repay loan	(11.5)
Return1	18.1
Net Asset Valuation	220.3

[1] Return includes among others changes due to the benefit of the insurance upside, reduction in tax rates in the UK, inflation being higher than the assumptions and unwinding of the dividends

DISCOUNT RATES SENSITIVITY

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

DISCOUNT RATE SENSITIVITY[1]	CHANGE IN NET ASSET VALUE 31 DECEMBER 2012
Increase by 1% to 9.51%	£(20.3) million, i.e. (9.2)%
Decrease by 1% to 7.51%	£23.8 million, i.e. 10.8%

[1] Based on the average discount rate of 8.51%

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 above.

INFLATION SENSITIVITY[1]	CHANGE IN NET ASSET VALUE 31 DECEMBER 2012
Increase by 1%[1]	£18.0 million, i.e. 8.2%
Decrease by 1%[1]	£(16.2) million, i.e. (7.4)%

1 Compared to the assumptions as set out in the macroeconomic assumptions above

FOREIGN EXCHANGE SENSITIVITY

FOREIGN EXCHANGE SENSITIVITY	CHANGE IN NET ASSET VALUE 31 DECEMBER 2012
Increase by 10%[1]	£(9.2) million, i.e. (4.2)%
Decrease by 10%[1]	£11.3 million, i.e. 5.1%

1 Sensitivity in comparison to the assumptions as set out in the macroeconomic assumptions above, derived by applying a 10% increase or decrease to the rate GBP/foreign currency

DEPOSIT RATE SENSITIVITY

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

DEPOSIT RATE SENSITIVITY	CHANGE IN NET ASSET VALUE 31 DECEMBER 2012
Increase by 1%[1]	£6.9 million, i.e. 3.1%
Decrease by 1%[1]	£(6.9) million, i.e. (3.1)%

1 Sensitivity in comparison to the assumptions as set out in the macroeconomic assumptions above

The Management Board and the Supervisory Board have approved the net asset value calculation on an Investment Basis as at 31 December 2012. During the period, the reported net asset value increased by £12.78 million or 6.16%.

FINANCIAL RESULTS

At 31 December 2012, the Group had 11 projects, out of a total of 20 projects acquired during the reporting period, which it was deemed to control by virtue of having the ability to govern, directly or indirectly, the financial and operating policies of the project entities. Under IFRS, the results of these project entities (subsidiaries) are required to be consolidated in the Group's consolidated financial statements on a line-by-line basis. However, these project entities form part of a portfolio of similar investments which are held for investment purposes and managed as a whole and there is no distinction made between those investments classified as subsidiaries and those which are not. In order to provide shareholders with further information regarding the Group's Investment Basis NAV, coupled with greater transparency in the Company's capacity for investment and ability to make distributions, the results have been restated in a pro forma balance sheet and income statement. The pro forma tables show all investments accounted for on an investment basis ("Investment Basis"), which is reconciled to the consolidated IFRS basis ("Consolidated IFRS Basis"). By deconsolidating the project entities which are considered as subsidiaries, the performance of the Group under consolidated IFRS basis may be compared with the results under the Investment Basis.

As noted above, the Company acquired 20 projects during the reporting period. The Company under the acquisition agreement was entitled to all cash generated by the Seed Portfolio from 1 October 2011 to the date of transfer of control ("buyers reserved amounts"). These buyers reserved amounts were generated over a period where the Company did not own the assets and as such there is no resulting income reflected in the condensed consolidated income statement. However the cash resulting from the receipt of these buyers reserved amounts by the Company is distributable.

Cash received from the portfolio of investments during the reporting period was by way of distributions including dividends, interest payments, capital and principal repayments amounted to £20.5 million. After deducting cash outflow for Group level corporate costs the net cash receipts for the period were £18.2 million.

The tables below summarize the cash received by the holding companies from the investments net of the cash outflows for the Group level corporate costs.

	Year ended 31 December 2012
SUMMARY NET CORPORATE CASH FLOW	**£ MILLION**
Cash received from investments	
Dividends received	5.6
Capital receipts	14.9
Total[1]	20.5
Cash outflow from corporate expenses and net finance costs[2]	(2.3)
Net cash	18.2
Net cash per share (pence)	8.54

[1] The total cash receipts include all cash generated on acquired Seed Portfolio from 1 October 2011.

[2] This amount reflects the net cash outflow for the year ending 31 December 2012 and excludes those accrued expenses on the balance sheet at the year end.

GROUP LEVEL CORPORATE COST ANALYSIS	Year ended 31 December 2012 £ MILLION
Interest expense and other finance cost	0.4
Staff costs[1]	1.6
Professional fees	0.7
Other expenses	1.0
Taxes	0.1
Corporate costs	3.8

[1] The Fund is internally managed with no fees payable to external managers

ONGOING CHARGES	Year Ended 31 December 2012 £ MILLION
Annualised ongoing charges	3.1
Average undiluted net asset value in the period	214.3
Ongoing charges (%)[1]	**1.44%**

[1] The Ongoing charges (%) 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 on investments. The ongoing charges include an accrual for the Short Term Incentive Plan ("STIP") and the Long Term Incentive Plan ("LTIP").

The Investment Basis NAV includes the investments at fair value of £219.0 million. The fair value of these investments is based on the discounted value of their expected future cash flows. For further details refer to the Valuation section of the report of the Management Board.

Left below: The M80 motorway between Stepps and Haggs in Scotland. Right below: Liverpool and Sefton Clinics, UK.

The analysis below compares the Investment Basis NAV and the net asset value on a Consolidated IFRS basis:

UNAUDITED PRO FORMA BALANCE SHEET RECONCILIATION

	31 December 2012		
	Investment Basis	Adjustments	Consolidated IFRS
	£million	£million	£million
Investments at fair value [1]	219.0	(169.4)	49.6
Adjustments to investments	0.7	(0.7)	-
Receivables from service concession agreements [1,2]	-	781.3	781.3
Other current and non-current assets[1]	-	143.0	143.0
Net cash/(borrowings)[1,3]	2.0	(590.7)	(588.7)
Other current and non-current liabilities[1]	(1.4)	(172.2)	(173.6)
Non-controlling interests[4]	-	(5.0)	(5.0)
Net assets to equity holders of the parent[5]	**220.3**	**(13.7)**	**206.6**

1 The Investment Basis accounts for all investments in the project entities at fair value and as a one-line item, irrespective of whether the project entities are controlled or not. The consolidated IFRS basis includes only those project entities where the Group does not exercise control. For the project entities where the Group exercises control, the individual assets and liabilities are presented separately, line by line.

2 These represent the receivables from service concession agreements at the level of the project entities where the Group exercises control and as such the amounts are fully consolidated.

3 The net cash/ (borrowings) under the Investment Basis reflects the cash and borrowings at the Group level, whereas the consolidated IFRS amount includes all cash and borrowings both at the Group and controlled project entity level.

4 The Investment Basis records investments in project entities based on the cash flows attributable to the Fund, whereas the consolidated IFRS basis reflects 100% of the assets and liabilities of project entities where control exists. The "non-controlling interests" represents the portion of the net assets to which the Group is not entitled.

5 Under the Investment Basis, the total return realized during the period amounted to £18.1 million (pre-dividend) as compared with a total comprehensive income amounting to £3.8 million under the Consolidated IFRS basis (see page59). The difference between the two amounts is largely due to the comprehensive loss on the fair valuation of the interest rate swaps and the deferred tax expenses, both of which were recorded on a Consolidated IFRS basis but are not taken into consideration in computing the Investment Basis return.

The analysis below compares the return under the Investment Basis and the net profit under Consolidated IFRS basis:

UNAUDITED PRO FORMA INCOME STATEMENT RECONCILIATION

	Year Ended 31 December 2012		
	Investment Basis	Adjustments	Consolidated IFRS
	£million	£million	£million
Revenue	-	33.7	33.7
Cost of services	-	(28.9)	(28.9)
Profit/(loss) before fair value movements and other expenses	-	4.8	4.8
Fair value movements and other income	21.5	(11.0)	10.5
Negative goodwill	-	10.5	10.5
Deferred tax	-	(5.2)	(5.2)
Corporate expenses and net finance income[1 & 2]	(3.4)	4.7	1.3
Investment Basis return/Net profit	18.1	3.8	21.9

1 The figure under an Investment Basis includes total corporate costs of £3.8 million less finance income of £0.4 million.

2 Under IFRS the net finance income includes interest income on the service concession receivables and interest expense on external loans granted to the project entities.

STATUS FOR TAXATION

The Company is not liable for any Luxembourg tax on profits or income, nor are distributions paid by the Company subject to any Luxembourg withholding tax. The Company is, however, liable to a subscription tax of 0.05% per annum of its net asset value, such tax being paid quarterly on the basis of the value of the aggregate net assets of the Company at the end of the relevant calendar quarter. No stamp duty or other tax is payable in Luxembourg on the issues of Shares. No Luxembourg tax is payable on the realised capital appreciation of the assets of the Company.

MARKET DEVELOPMENT

UK

The overall outlook for the infrastructure market has improved in the last months. BBGI is encouraged by the government's announcement in December 2012 that it intends to continue the success of the PFI structure with an amended PF2 model. The changes proposed are viewed in general as positive for the infrastructure market. The priority schools building programme worth £1.75 billion will be using PF2 as a procurement model. In addition the Treasury is working with the Department of Health to assess the suitability of PF2 to deliver further significant new investments and the Ministry of Defence is to finalise their basing strategy and infrastructure investment plans.

This is partly in addition to the updated National Infrastructure Plan announcement by the UK Government in December 2012 that it expects a significant private sector involvement in infrastructure by 2015.

It is envisaged that the PF2 projects will have less leverage – probably a debt/equity ratio of 75% / 25% compared to around 90% / 10% at present. It is also intended to introduce a funding competition for a portion of the private sector equity, to enable long-term equity providers to invest in projects before financial close. This may create additional attractive opportunities for BBGI in the future.

To improve value for money there will be greater management of risks by the public sector, greater retention and management of certain risks by the public sector, such as additional capital expenditure arising from an unforeseeable general change in law, utilities costs, site contamination and insurance. The financing structure for PF2 will be designed to enable access to long-term debt finance, and in particular, the capital markets which should limit the need for refinancing.

Canada

Over the years Canada's PPP market landscape has evolved considerably and has established Canada as one of the world's most stable and significant PPP markets in both volume and capital size of transactions. Of significance, Canada's Minister of Finance, the Honourable James Flaherty, was awarded the 2011 Infrastructure Investor Minister of the Year award for Canada's continued optimism regarding the P3 model.

The increased adoption of PPPs can be attributed to the creation of dedicated PPP agencies at the provincial and federal level. Alberta, British Columbia, New Brunswick, Ontario and Quebec have collectively established consistent PPP deal flow across the country. As the national source of P3 expertise, PPP Canada has invested resources to analyse pipeline distribution by jurisdiction, sector and procurement method to help capture the ways in which Canadian jurisdictions are implementing their P3 procurements and identify lessons learned and areas of success.

In general, Canada's procurement process over the last few years, relative to other countries with advanced PPP markets, is seen as the most predictable and timely taking on average 16 – 18 months to complete. This reality is due to several factors including Canada's standardized practices, established legal expertise and careful adherence to project timetables. These factors generate greater certainty for bidders; produce greater competition and lower costs for the public sector, all of which contribute to Canada's healthy PPP pipeline.

Canada was recently rated the top country for PPP activity for both the past and the next 12 months according to Deloitte. Provincial governments, led by PPP procurement agencies, have become experienced in driving their PPP programmes forward and projects have not suffered the drying up of debt liquidity as keenly as in other markets. Although Canada has made great steps in using PPP to close its infrastructure gap, investment is still needed. That, and the strong availability of debt and equity, points to the industry continuing to see new projects coming to market.

Continental Europe

The market differs from country to country quite significantly. In Germany the market is still intermittent and only a limited number of new projects will be tendered this year predominantly in the transport sector and one large hospital. Netherlands, Belgium and France still continue on the path to procure infrastructure projects via the PPP route although the pace in France may slow down. BBGI currently does not focus on Southern and Eastern Europe given the weakened credit ratings of these countries.

Australia

Australia is also considered a strong market for PPP investment as it enjoys a robust economy and a growing popularity of PPP model among different states. Deloitte reports that Australia has had very little toxic debt in the banking sector and has a large need for updating some older infrastructure. As a result, they are expecting that Australia will remain an attractive market for international PPP investment.

MARKET OPPORTUNITIES

BBGI predominantly makes investments at the operational phase but also looks selectively at construction stage assets. BBGI continues to focus on fiscally stable countries where PFI/PPP is a practiced route for delivering infrastructure investment projects,

Above: One of 10 new fire stations in Stoke-on-Trent and Staffordshire.
Left: Scottish Borders Schools, UK

principally in certain countries in Europe, North America, Australia and New Zealand.

The secondary market in the UK still appears to be the most active market globally although more equity investors are chasing fewer transactions. This appears to have resulted in a trend of lower discount rates for stable mature secondary projects. BBGI will continue to participate in auctions but also actively look for negotiated transactions. There are also some secondary market opportunities available in financially stable countries in Continental Europe and BBGI is actively following up with the local players especially in Germany.

The Canadian secondary market is expected to be active in 2013 and 2014 as a number of projects developed over the last couple of years come into operation. Canada enjoyed continued infrastructure investment, even after the financial crisis. During the period 2009-2011, 39 PPP deals reached financial close culminating in a combined capital investment of approximately CAD 21.7 billion.

Similarly, the State governments in Australia continued to pursue PPP projects after the financial crisis and some of the recently completed projects may be offered for sale.

The Company is actively pursuing acquisitions from 3rd parties. In addition to these opportunities, the Company believes that Bilfinger may be in a position to offer up to four projects in accordance with the Pipeline Agreement in 2013. To date two projects have been presented under the Pipeline Agreement and are being actively considered.

INVESTMENT OPPORTUNITY

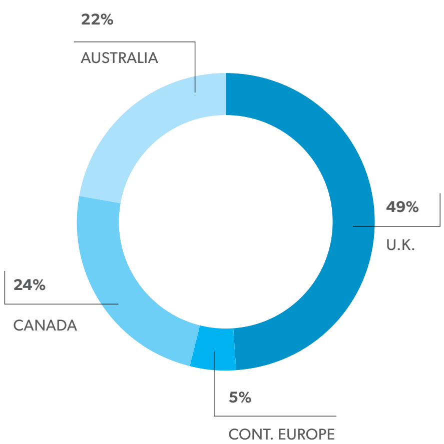
The Management Board believes that an investment in the Company provides shareholders with the following benefits:

- Exposure to high quality PPP infrastructure assets with the following attributes:
  - Long-term stable cash flows from assets that are operational (or near operational) and backed by public sector or government backed counterparties
  - Strong yield characteristics and attractive inflation protection characteristics
  - A portfolio which is diversified by sectors and spread across the UK (49%), Canada (24%), Australia (22%) and Germany (5%)
  - High degree of project control with at least a 50% ownership in respect of approximately 96% by value of the project entity within the portfolio
  - Availability-based road projects and a range of social infrastructure projects
  - Potential for value enhancement opportunities and acquisition of further stakes
- Access to a pipeline of prospective further investments developed by Bilfinger Group over which the Company has preferential rights and that has a potential aggregate investment capital value of approximately £250 million
- Alignment of interest between the Company, the management team and shareholders through an internal management structure
- Cost benefits from an internal management structure, in particular given that there are no net asset value based management fees, acquisition fees or performance fees charged
- Experienced PFI/PPP Management Team
- Continuation vote in 2015 and every two years thereafter

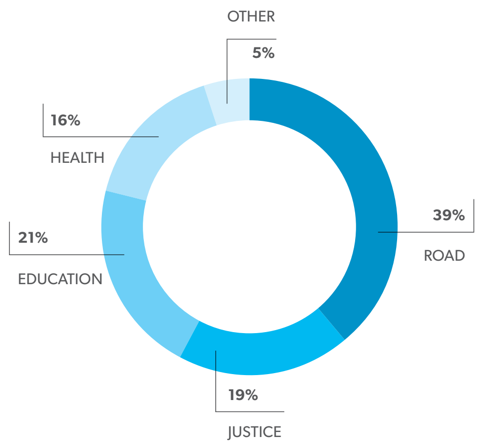
INVESTMENT PORTFOLIO

As at 31 December 2012, BBGI's assets consisted of interests in 20 low risk, predominantly operational, availability-based, PPP/PFI infrastructure assets. The assets, in the transport, health, education, justice and emergency services sectors, are located in Europe, Canada and Australia.

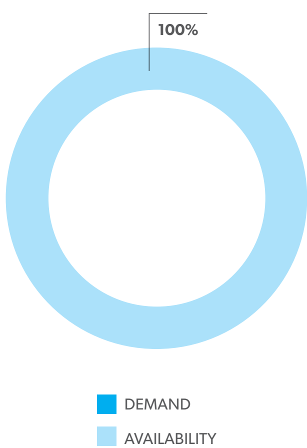
GEOGRAPHY



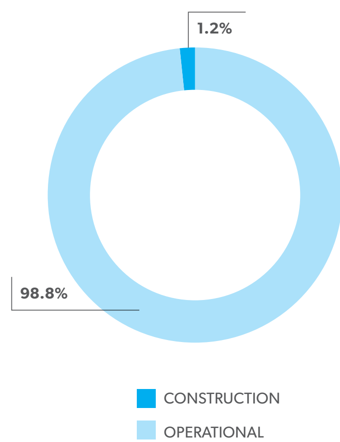
SECTOR



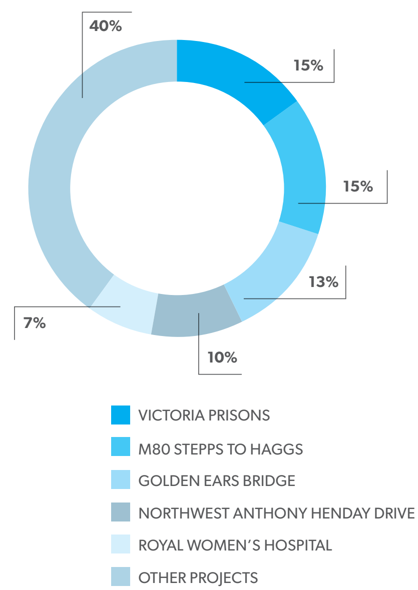
REVENUE TYPE



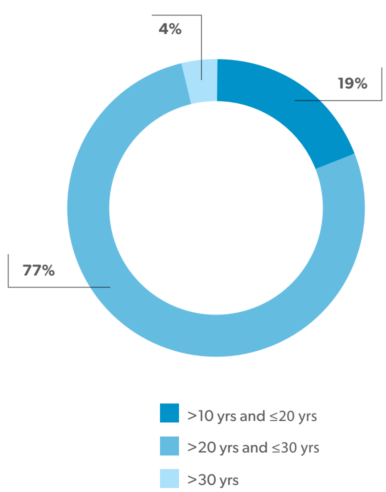
PROJECT SATUS



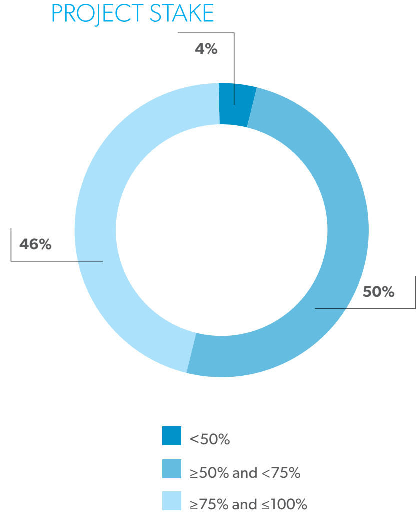
TOP 5 PROJECTS



CONCESSION LENGTH



PROJECT STAKE



- ROADS
- JUSTICE
- EDUCATION
- HEALTH
- OTHER

AUSTRALIA	CANADA	UNITED KINGDOM	CONTINENTAL EUROPE
Royal Women's Hospital	Kicking Horse Canyon	M80 Motorway	Burg Prison
Victoria Prisons	Golden Ears Bridge	Liverpool & Sefton Clinics (LIFT)	Unna Administrative Centre
	Northwest Anthony Henday Drive	Barnet & Haringey Clinics (LIFT)	
		Barking & Havering Clinics (LIFT)	
		Gloucester Royal Hospital	
		Staffordshire Fire and Rescue Service	
		Clackmannanshire Schools	
		Coventry Schools	
		Scottish Borders Schools	
		Kent Schools	
		Lisburn Institute	
		East Down Institute	
		Bedford Schools	

PORTFOLIO SUMMARY

At year end, the Company's portfolio consisted of interests in 20 projects as follows:

	EQUITY STAKE
Availability Roads	
Golden Ears Bridge, Canada	50.0%
Northwest Anthony Henday Drive, Canada	50.0%
Kicking Horse Canyon, Canada	50.0%
M80 Motorway, UK *	50.1%
Healthcare	
Royal Women's Hospital, Australia	100.0%
Liverpool & Sefton Clinics, UK	26.7%
Gloucester Royal Hospital, UK	50.0%
Barnet & Haringey Clinics, UK	26.7%
Barking & Havering Clinics, UK	60.0%
Education	
Clackmannanshire Schools, UK	100.0%
Scottish Borders Schools, UK	100.0%
Kent Schools, UK	50.0%
Bedford Schools, UK	100.0%
Coventry Schools, UK	100.0%
East Down Colleges, UK	66.7%
Lisburn College, UK	100.0%
Justice	
Victoria Prisons, Australia	100.0%
Burg Prison, Germany	90.0%
Other	
Stoke on Trent & Staffordshire Fire and Rescue Service, UK	85.0%
Unna Administrative Centre**	44.1%

*One share is due to be transferred to the co-shareholder and the final shareholding will be 50.0%

** Entitled to 100% of the cash flow

All of the projects are in operation except one tranche of the two Local Improvement Finance Trust (LIFT) Schemes at Liverpool and Sefton Clinics and Barnet and Haringey Clinics. This has an expected completion date of June 2013, and represents approximately 1.2% of the portfolio by value.

The concessions granted to project entities in the portfolio are predominantly granted by a variety of public sector clients including but not limited to central government departments, local, provincial and state governments and corporations set up by the public sector. All project entities in the portfolio are located in countries which are all rated Aa1 /AAA for the UK and Aaa/AAA for Australia, Canada and Germany by Moody's and Standard & Poors.

AVAILABILITY ROADS

GOLDEN EARS BRIDGE, CANADA

The Golden Ears Bridge in Vancouver is a 1km, six-lane road that spans the Fraser River and connects Maple Ridge and Pitt Meadows to Langley and Surrey. The scheme which was opened in 2009 also includes more than 3.5km of structures including ramps, viaducts, minor bridges and underpasses and more than 13km of mainline roadway, a large part of which has been landscaped.
The project has brought close to CAD 1 billion in construction-related activity to the area. Commuters using the new bridge can save up to 40 minutes per peak-hour round-trip from Maple Ridge to Langley.

KICKING HORSE PASS, CANADA

The Kicking Horse Pass extends through the Rocky Mountains between British Columbia and Alberta. The development comprises the upgrading of 6km of the pass including a new 400 metre span bridge across the canyon, built on columns rising up to 90 metres high, (opened to traffic in September 2007). It also includes the operation and maintenance of 26 km of highway through the Kicking Horse Pass.

As part of the project, 8,000 m2 of riparian habitat and 2,000 m2 of in-stream habitat were created and 6,000 new trees were planted. A three kilometre section of the old highway was reclaimed in order to be reused for recreational trails. With steep rock faces, deep canyons and winding roads, the Kicking Horse Canyon Project was not only a complex design build contract, it was one of the most technically challenging transportation projects in the Province.

M80 STEPPS TO HAGGS, SCOTLAND, UK

The section of road between Stepps and Haggs was an all-purpose dual carriageway and was the only non-motorway section of the A80 between Glasgow and the end of the M80 at Dunblane. During peak hours, the road had suffered heavy congestion, delays and a poor level of service. This project comprised the construction of 18km of dual two/three lane motorway with associated slip roads and infrastructure from Stepps in North Lanarkshire to Haggs in Falkirk.

Traffic availability was achieved in August 2011 and the scheme now provides a significant reduction in congestion for road users, improved journey times and greater reliability. In addition, the risk of accidents will be reduced and accessibility to freight deliveries will be improved.

NORTHWEST ANTHONY HENDAY DRIVE, CANADA

This portion of the Edmonton Ring Road in Alberta runs 21 kilometres from Yellowhead Trail to Manning Drive. It is the single largest completed PPP transportation investment to date for the Province of Alberta and has improved safety and travel time for both residents and businesses. The project is completely free flow and includes eight interchanges, five flyovers and two rail crossings, for a total of 27 bridge structures.

With the opening of this leg, travellers have access to a total of 69 kilometres of free flow on Anthony Henday Drive. The new construction benefits more than 30,000 motorists who use this ring road daily, as well as the transportation industry as this is a vital route for shipping and receiving goods.

HEALTH CARE

UK Local Improvement Trusts ("LIFT")

LIFT (Local Improvement Finance Trusts) projects are a UK Government initiative to create long-term public-private sector partnerships that provide new and improved facilities for health and social care at a local level. Typical services include GP practices, chiropody, speech and language therapy, community nursing, dental surgery and family planning.

BARNET AND HARINGEY CLINICS, UK (LIFT)

The framework arrangements include the exclusive right to develop further primary healthcare facilities in the agreed geographical area subject to periodic market testing of key services. Five facilities in four different tranches have been developed to date with four financial closes between July 2004 and September 2010. Finchley Hospital has started operation in July 2012 and some residual works including demolition of the old building and landscaping are outstanding.

BARKING & HAVERING CLINICS, UK (LIFT)

The framework arrangements give the Project Entity the exclusive right to develop further primary healthcare facilities in the agreed geographical area subject to periodic market testing of key services. Ten facilities in East London have been developed to date with project completions between 2005 and 2009.

LIVERPOOL AND SEFTON CLINICS, UK (LIFT)

The framework arrangements give the Project Entity the exclusive right to develop further primary healthcare facilities in the agreed geographical area subject to periodic market testing of key services. 13 facilities in 6 different tranches have been developed to date with 7 financial closes between June 2004 and November 2011. Kensington Health Centre is still under construction.

GLOUCESTERSHIRE ROYAL HOSPITAL

In line with the client's brief, this project provides an integrated solution that incorporates new departments with refurbished existing facilities to create a superior layout which improves functionality, appearance and working environment.

This 18,000 m2 building includes new departments for outpatient, accident and emergency and children's treatment, as well as a new hospital frontage and entrance. The incorporation of enhanced retail facilities in the new development provides improved amenities for all who use and visit the hospital. Gloucestershire Royal Hospital treats approximately 48,000 in-patients and over 100,000 outpatients annually and employs a staff of 3,500.

ROYAL WOMEN'S HOSPITAL, AUSTRALIA

The Royal Women's Hospital in Melbourne covers in excess of 40,000 m2, and provides comprehensive state-of-the-art care to the women of Victoria in a single central location. The hospital project has won a number of awards including Asia Pacific PPP Deal of the Year, 2005 and Financial Excellence (2007 National Infrastructure Awards).

EDUCATION

BEDFORD SCHOOLS, UK

This project comprised extensive reconfiguration and refurbishment of two schools in Bedford as well as new build elements, delivering much needed improvements to the two school sites. The construction works allowed for an increase in the number of pupils: Samuel Whitbread Community College has increased its capacity from 1,360 to 1,800 pupils, and Harlington Upper School from 850 to 1,400. The construction was completed in June 2006.

CLACKMANNANSHIRE SCHOOLS, UK

Three new schools were developed in Clackmannanshire, achieved through close co-operation with local educational departments, councils and communities. The schools opened in 2009.

Each of the schools is distinct from each other:
Lornshill Academy has a strong castle themed design befitting its dramatic hilltop location, giving it a prominent place both visually and geographically as a shared community resource.

The inclusive design of Alloa Academy has allowed the integration of pupils with additional support needs from the previous Fairfield School into a mainstream schooling environment.

The design of the Alva Academy used its spacious location to produce a new building that is a source of pride for the local community.

COVENTRY SCHOOLS, UK

The Caludon Castle School and Community College is a co-educational comprehensive school of over 1,500 students aged 11 to 18 with a sixth form of 307 serving North East Coventry. It is a designated Business and Enterprise College and because of this, special design emphasis was placed on Information & Communications Technology ("ICT"). Today, this innovative use of ICT can be found in each faculty with students and staff benefiting from fully equipped computer rooms including interactive whiteboards and video streaming. The schools opened in stages from 2006 through to 2009.

In addition to the main educational assets, the new complex also comprises a sport and leisure centre (incorporating a 25 m four-lane swimming pool), dance and drama studios, gymnasium, external all-weather sports stadium, four multi-purpose playing courts and a learning resource centre equipped with IT facilities.

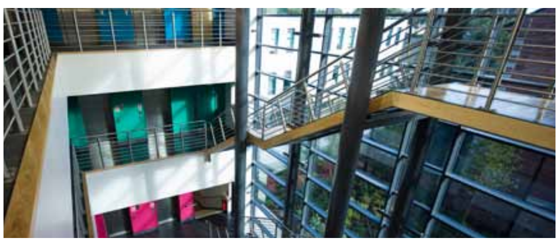
EAST DOWN COLLEGES, UK

Ballynahinch, Downpatrick and Newcastle colleges located in East Down have been designed to be energy efficient and environmentally friendly, as well as providing a teaching and learning experience which is exciting and progressive. The schools opened in 2009.

KENT SCHOOLS, UK

The re-development of six schools in Kent included the construction of new state-of-the-art learning and teaching facilities for each school, including gymnasiums, dance studios, all weather pitches and drama studios. Special emphasis was placed on the provision of ICT, which has enabled schools such as Hugh Christie Technology College to encourage and embrace a culture of innovation and change. At both Aylesford Sports College and Holmesdale Technology College the student to computer ratio is an impressive 1-1. The schools opened in 2007.

These exciting new buildings are available for wider use by the community. All the schools' new facilities are made available for the local people out of school hours, creating an increased sense of belonging and ownership.



LISBURN COLLEGE, UK

Located in Northern Ireland, Lisburn College has been designed to be energy efficient and environmentally friendly, as well as providing a teaching and learning experience which is exciting and progressive. The school opened in 2010.

SCOTTISH BORDERS SCHOOLS, UK

Set in the wild and atmospheric landscape of the Scottish Borders, the designs of Eyemouth, Berwickshire and Earlston high schools are truly striking and each has a real sense of place in keeping with their locations.
These schools are the most environmentally advanced in Scotland. Modern biomass boilers powered by woodchip supplied from local sources have been incorporated as well as modern ventilation systems that reduce energy use and noise pollution.

The school buildings are modern with superb facilities such as technology, science, arts and crafts and sports, as well as open-plan areas for dining and socialising. Furthermore, the schools boast modern, well equipped kitchens and serving areas to allow for the preparation of high quality food. The schools opened in 2009.

JUSTICE

BURG PRISON, GERMANY

Located in Saxony-Anhalt, Burg Prison covers 220,000 m2 and accommodates up to 650 male prisoners, who have access to a gymnasium and an outdoor sports area. In addition, the institution comes with a service centre including a health care unit and a library. The facility opened in 2008.

VICTORIA PRISONS, AUSTRALIA

The Metropolitan Remand Centre near Melbourne accommodates up to 600 male prisoners and is the State's major intensive treatment facility for male prisoners. It offers treatment programs aimed to promote rehabilitation, reduce repeat offending and to prepare prisoners for transition back into the community. The second, smaller facility is the Marngoneet Correctional Centre which houses 300 male prisoners and is also located in greater Melbourne. Both prisons started operation in 2006.

OTHER

STOKE ON TRENT & STAFFORDSHIRE FIRE AND RESCUE SERVICE, UK

This project comprised the rebuild of seven fire stations and the construction of an additional three stations in Staffordshire.

These landmark buildings are instantly recognisable, creating a clear identity for Stoke-on-Trent & Staffordshire Fire & Rescue Authority. Both the external architecture and the interiors have been designed specifically to allow personnel to improve their ability to respond to emergencies.

All the stations boast state-of-the-art operational facilities with fitness suites at stations crewed around the clock for use by staff and the wider community. The stations opened in stages with the last one being operational in Q4 2011.

UNNA ADMINISTRATIVE CENTRE, GERMANY

Located in North Rhine-Westphalia, this project comprised the construction of a new conference hall as well as the operation and maintenance of two additional administration buildings. The operation started in 2006.

INVESTMENT POLICY AND OBJECTIVES

INVESTMENT POLICY

The Company's investment policy is to invest in equity, subordinated debt and/or similar interests issued in respect of infrastructure projects that have predominantly been developed under the PFI/PPP or similar procurement models. The Company will principally invest in projects that are operational and that have completed construction. Accordingly, investment in projects that are under construction will be limited to 25% of the portfolio value (calculated as at the time of investment).

Project revenue stream characteristics

The Company invests predominantly in projects whose revenue streams are public sector or government-backed, although the Company may invest in projects whose revenue streams are backed by non-governmental organisations that the Directors believe carry an appropriate credit risk and represent a low counterparty risk for example as alternative infrastructure procurement models develop (such as private-private partnerships). Investment in projects whose revenue streams are not public sector or government-backed will be limited to 25% of the portfolio value, calculated as at the time of investment.

The Company primarily invests in projects where payments received by the project entities and hence the revenue streams from the projects do not generally depend on the level of use of the Project Asset and as such are "availability-based". Projects are characterised as having an "availability-based" revenue stream if, on average, 75% or more of payments received by the relevant project entity do not depend on the level of use of the project asset. Investment in projects where, on average, 25% or more of payments received by the project entities depend on the level of use made of the project assets ("demand based") will be limited to 25% of the portfolio value, calculated as at the time of investment.

Geographic focus

The Directors believes that attractive opportunities for the Company continue to arise in areas of the world where PFI/PPP is a practiced route for delivering infrastructure investments. The Company intends to invest predominantly in projects that are located in Europe, North America, Australia and New Zealand. However, the Company may also invest in projects in other markets should suitable opportunities arise. The Company will seek to mitigate country risk by concentrating predominantly on investment opportunities in countries where the Directors considers that project structures are reliable, where (to the extent applicable) public sector counterparties carry what the Directors consider to be an appropriate credit risk or alternatively where insurance or guarantees are available for the sovereign credit risk, where financial markets are relatively mature and where a reliable judicial system exists to facilitate the enforcement of rights and obligations under project documentation.

Origination of investments

Each of the investments in the portfolio complies with the investment policy and further investments will only be acquired if they comply with the investment policy. It is expected that further investments will include investments that have been originated and developed by members of the Bilfinger Group. The Company also seeks out and reviews acquisition opportunities from outside the Bilfinger group.

Any proposed acquisition of assets by the Company from members of the Bilfinger Group that fall within the investment policy, will be subject to approval by those Directors who are independent of the Bilfinger group.

The Company has a right of first offer in respect of interests in all project entities that the Bilfinger Group proposes to sell before 31 December 2016 and that fall within the investment policy (the "Pipeline

Agreement"). It is envisaged that Bilfinger group companies will periodically make available for sale further interests in project entities (although there is no guarantee or obligation on the Bilfinger group side that this will be the case).

A key part of the investment policy is to acquire assets that have been originated by and from the Bilfinger group by exercising the Company's rights under the Pipeline Agreement and otherwise. As such, the Company will not seek the approval of shareholders with respect to the acquisition of the assets from members of the Bilfinger group (nor any other acquisition) in the ordinary course of the investment policy.

Further investments will be subject to satisfactory due diligence and agreement on price which will be negotiated on an arm's length basis and on normal commercial terms. It is anticipated that any further investments will be acquired out of existing cash resources, borrowings, funds raised from the issue of new capital in the Company or a combination of all three.

Single investment limit and diversity of clients and suppliers

In order to ensure that the Company has a spread of investment risk, it is the Company's intention that when any new acquisition is made, the investment (or, in the event of an acquisition of a portfolio of investments, each investment in the portfolio) acquired does not have an acquisition value (or, if it is an additional stake in an existing investment, the combined value of both the existing stake and the additional stake acquired is not) greater than 20 % of the portfolio value of the Company immediately post-acquisition (but subject always to a maximum limit of 25 % of the portfolio value immediately post-acquisition). In order to avoid over-reliance on either a single client or a single contractor when selecting new investments to acquire, the Company will seek to ensure that the portfolio of project entities in which the Company invests has a range of clients and supply chain contractors.

Borrowing and leverage

The Company intends to make prudent use of leverage (and leverage in the context of the Company shall exclude indebtedness in place at project entity level) primarily to finance the acquisition of investments and for working capital purposes. The Company will ensure that the Company's outstanding borrowings, excluding intra-group borrowings and the debts of underlying project entities but including any financial guarantees to support subscription obligations, will be limited to 33% of the portfolio value. The Company may borrow in currencies other than £ as part of its currency hedging strategy.

Currency and hedging policy

The Company will continue to invest in project entities that are located not just in the UK, and as a result some of the Company's underlying investments will be denominated in currencies other than £. For example, investments in the portfolio are denominated in Australian Dollars (AUD), Canadian Dollars (CAD) and Euro (EUR) as well as Pounds Sterling (£). However, any dividends declared and paid on the ordinary shares will be made in £ and the market price and net asset value of the ordinary shares will be reported in £.

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

Any currency rate hedging transactions will only be undertaken for the purpose of assisting the Company in meeting its dividend distribution targets. Hedging transactions will not be undertaken for speculative purposes.

Potential disposals of investments

Whilst the Directors may elect to retain investments over the long-term, it will regularly monitor the valuations of such project entities and any secondary market opportunities to dispose of investments. The Company only intends to dispose of investments where it is considered that appropriate value can be realised for the Company or where the Directors otherwise believe that it is appropriate to do so. Proceeds from the disposal of investments will generally be reinvested, or may be distributed at the discretion of the Directors.

Amendments to and compliance with the investment policy

Changes to the investment policy may only be made with the approval of the Commission de Surveillance du Sector Financier ("CSSF") and of the shareholders by way of ordinary resolution in accordance with the Law and (for so long as the ordinary shares are listed on the Official List) in accordance with the Listing Rules. The investment policy restrictions detailed above apply at the time of the acquisition of any new investment. The Company will not be required to dispose of investments and to rebalance its investment portfolio as a result of a change in the respective valuations of investments, although in such circumstances the Management Board will review the composition of the investment portfolio as a whole and consider whether any rebalancing is in the interests of shareholders.

In the event of any breaches of the investment restrictions contained in the investment policy, the Company will inform shareholders through an announcement on a Regulatory Information Service.

INVESTMENT OBJECTIVES

Looking forward into 2013 and beyond the Company will seek to provide investors with secure and predictable long-term cash flows whilst actively managing the investment portfolio with the intention of maximising the capital value over the longer term. The Company will target an initial annualised yield of 5.5% per annum on the issue price of its ordinary shares. The Company will aim to increase this distribution progressively over the longer term. The Company will target an IRR in the region of 7 to 8% on the initial issue price of its ordinary shares to be achieved over the longer term via active management to enhance the value of existing investments, and by acquisition of further investments from the Bilfinger group and other sources, the prudent use of gearing, and growing the Company with the aim of reducing the total expense ratio.

RISK AND RISK MANAGEMENT

The Management Board and the Supervisory Board consider the process of identifying, evaluating and managing the significant risks faced by the Company on an ongoing basis. The Management Board has established internal controls to manage these risks by reference to a risk register and reviews and considers this risk register on at least a quarterly basis. The Supervisory Board also reviews the key risks affecting the Company at each scheduled board meeting, by reference to a risk register developed and monitored in conjunction with the Management Board. If a new risk develops or the likelihood of a risk occurring increases, where appropriate, a mitigation strategy is developed and implemented, together with enhanced monitoring. The Audit Committee also reviews the effectiveness of the Company's risk management and internal control systems on at least an annual basis.

The Management Board set out the material risks relating to the Company's portfolio as at 6 December 2011 in the Company's IPO prospectus, which is available from the Company's web site. General areas of risk and the processes are set out below.

The risk register applies a rating system to each risk. The impact of risk on the business (3 - high, 2 - medium and 1 – low) and the likelihood of the risk occurring (3 - high, 2 - medium and 1 - low) are assigned to each risk. Subsequently it is assessed if effective risk mitigation is in place and the effectiveness of the control (1 - high, 2 - medium and 3 - low).

The three numbers are added up and if the score is between 7 and 9 the risk is considered major, if between 5 and 6 moderate and 3 and 4 low. The risk register is a dynamic document and updated as and when new risks are identified or a change in one of the factors arise.

AREAS OF RISK	RISK FACTOR
Economic, external and financial	• Currency fluctuation, inflation rate and interest rate movement and general economic impact • Political and regulatory - changes in law, policies and practice • Tax and accounting - changes in law, policies and practice • Liquidity and finance – no or limited access to debt or equity financing • Interest rates
Operational / asset related	• Under performance or performance failures of the project entity, subcontractor or service providers • Termination of projects • Financial modelling • Bribery, fraud, corruption • Re-financing risk
Strategic and management	• Share price discount or premium to NAV • Poor project selection - overpaying for assets • Due diligence not assessing risks adequately • Concentration risk – over reliance on one jurisdiction, public client or service provider • Underperformance of Management Board, key man risk • Bribery, fraud, corruption

ECONOMIC, EXTERNAL AND FINANCIAL RISKS

The Company has investments in project entities and business activities in different jurisdictions and external, economic and financial factors have the capacity to impact these.

In particular the performance of the investments can be affected by changes in macro-economic factors such as foreign exchange, inflation rates and interest rates.

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 directly affect the value of the Company's underlying investments, the distributions and the ultimate rate of return realised by investors.

The Company has implemented currency hedging arrangements in respect of the non-Sterling investments for the period of four years to mitigate some of this risk.

The revenues and expenditure of project entities developed under PFI/PPP are frequently partly or wholly subject to indexation. From a financial modelling perspective, an assumption is usually made that inflation will increase at a long-term rate (which may vary depending on country and prevailing inflation forecasts). The effect on investment returns if inflation exceeds or falls below the original projections for this long-term rate is dependent on the nature of the underlying project earnings, the extent to which the project entity's costs are affected by inflation and any unitary charge indexation provisions agreed with the client on any project. The Company's ability to meet targets and its investment objectives may be adversely or positively affected by higher or lower than expected inflation. There is also a risk that general operating costs may be higher than forecast in the financial model. This may inter alia be due to inflation.

Project entities typically mitigate that risk to some extent by seeking to match the indexation of the revenues to the indexation of the operational cost.

The project entities typically have some cash reserves and deposits. From a financial modelling perspective, an assumption is usually made that the deposits can be placed at a forecast rate which varies depending on country and historical long term averages. The effect on investment returns if deposit rates exceed or fall below the original projections for this long-term rate is dependent on the amount of deposits.

Different laws and regulations apply within the jurisdictions the Company and the project entities are located, and the Company and investments in such countries may be affected by changes in law, tax and accounting regimes, political climate and other changes that cannot be easily foreseen. The underlying financial models of project entities and the business model of the Company are based on assumptions regarding the prevailing tax, accounting and legal framework.

Any change in those assumptions could affect the Company's ability to meet targets and its investment objectives. Where possible, this will be mitigated, but there may be instances where this will not be possible. The Company and the service providers for the underlying project entities continually monitor any potential or actual changes.

The Company will be subject to the EU Alternative Investment Funds Manager's Directive ("AIFMD"). Implementation of the AIFMD in national legislation will occur in mid-2013. Whilst the detailed AIFMD rules were published at the end of December 2012, the impact is currently being assessed. The Company will apply to the CSSF for authorisation as an authorised Alternative Investment Fund Manager ("AIFM"). Under the Directive, the Company will be subject to increased regulatory supervision from the CSSF. The cost of compliance with the AIFMD is currently being assessed.

To the extent that the Company does not have cash reserves pending investment, the Company expects to bridge finance further investments by way of the credit facility or by issuing additional equity. Although the Company has had a credit facility in place since July 2012, there can be no guarantee that this will always be the case or that it will be able to issue further shares in the market.

The debt facility has a floating rate which is not hedged. The Company's performance may be affected by changes in the interest rates. The underlying project entities have sought to hedge substantially all their floating rate interest liabilities against changes in underlying interest rates.

OPERATIONAL / ASSET RELATED RISKS

Although it is intended that the main construction and operational risks would have been passed on by the project entities contractually to the relevant subcontractor or service providers or covered by insurance (including any penalty payments or deductions to the client), there is some risk that the anticipated returns of the project entities will be adversely affected by underperformance or performance failures.

To the extent that the actual costs incurred by a project entity differ from the forecast costs, and cannot be passed onto subcontractors, e.g. insurance cost, the expected investment returns may be adversely affected.

During the life of an investment, components of the project assets (such as asphalt in the case of roads and elevators, roofs and air handling plants in the case of buildings) are likely to need inter alia to be replaced or undergo a major refurbishment. The timing and costs of such replacements or refurbishments is forecast, modelled and provided for by each project entity based upon manufacturers' data and warranties and specialist advisers are usually retained by the project entities to assist in such forecasting of life-cycle timings, increased scope of work and costs. However, various factors such as shorter than anticipated asset lifespans, vandalism, or underestimated costs and/or inflation higher than forecast may result in life-cycle costs being higher than the financial model projections or occurring earlier than projected. The contractual matrix for the current portfolio is intended to pass this risk down to subcontractors (in particular for the social infrastructure projects), but where this risk is retained (generally on transport projects) or where it is not otherwise effectively passed down to subcontractors, any cost implication will generally be borne by the affected project entities.

If there is a subcontractor service failure or subcontractor insolvency which is sufficiently serious to cause a project entity to terminate or to be required by the client to terminate a subcontract, or the relevant subcontract expires prior to the end of the concession period (which is the case on some road projects), there may be a loss of revenue during the time taken to find a replacement subcontractor. In addition, the replacement subcontractor may levy a surcharge to assume the subcontract or charge more to provide the services. Despite available securities such as parent company guarantees and letters of credit, these losses and costs may not be recoverable from the defaulting subcontractor.

The client is generally given rights of termination under PFI/PPP contractual agreements. The compensation (if any) which the project entity is entitled to receive on termination will depend on the reason for termination and the terms of the project agreement. In some instances, notably default by the project entity, the compensation will not include amounts designed specifically to repay the equity investment. Where termination is for client default or the client voluntarily terminates the project agreement without fault on either side, the compensation is likely to extend to some of the lost equity returns, although this cannot be guaranteed.

The Company has currently no indication that any of the clients intend to voluntarily terminate the agreement or of any potential client default.

The costing of, and pricing for, infrastructure projects relies on large and detailed financial models. There is a risk that errors may be made in the assumptions, calculations or methodology used in a financial model.

In such circumstances the figures and/or the returns generated by the project entity may be different to those estimated or projected. The risk is mitigated for project entities where the models have been updated a number of times.

Typically the client will have the right to terminate the project agreement where the project entity or a shareholder or subcontractor (or one of their employees) has committed bribery, corruption or other fraudulent act. In these circumstances it is likely that the majority, if not all, of the investment will be lost. The Company has a compliance system in place and is not aware of any such acts which could trigger that risk.

In some projects, a refinancing may be required to repay the project entity's obligations as they fall due. For the portfolio, in relation to senior debt financing, this only applies to the Royal Women's Hospital project and only with respect to one of two tranches of bonds, which must be refinanced between 2017 and 2021. Where a project carries a requirement to refinance, there is a risk that such refinancing cannot be secured at the forecasted financing costs or at all. This could have an impact on the timing and/or amounts of distributions or other payments in respect of investment capital by such project entity. The Company believes that the current refinancing assumption in the model is adequate.

STRATEGIC AND MANAGEMENT RISKS

The Company seeks to provide its shareholders with a minimum 5.5% target dividend yield on issue price and a 7 to 8% IRR based on long term stable and contracted Government-backed revenue streams which are inflation linked. The Company's NAV is prepared semi-annually by the Management Board in good faith and independently reviewed by a competent valuer.

However, there is a risk that the Company may fail to reach the return objectives. The ultimate realisation of the market value of an asset depends to a great extent on judgements, economic and other conditions beyond the control of the Company, and valuations do not necessarily represent the price at which an investment can be sold. To assist the Company in managing any share price premiums or discounts to NAV, the Company has the ability to make market purchases of up to 14.99% per annum of the ordinary shares in issue. In addition a continuation vote is available to shareholders at the Company's annual general meeting in 2015, and at the annual general meeting held every two years thereafter. The vote will require more than 50% of the total voting rights cast on the resolution to be in favour in order for the Company to continue in its current format.

Further investments intended to be made by the Company comprise interests in project entities which are not publicly traded or freely marketable and are often subject to restrictions on transfer and may, therefore, be difficult to value. This could lead to an overpayment for investments in an acquisition process. The Company has internal processes in place which seek to minimise these risks through regular review of the peer group, discussions with advisors and regular external confirmation of the portfolio value and the annual audit process.

The due diligence process undertaken during an acquisition process may not reveal all facts and circumstances that may be relevant in connection with an investment. The Company seeks to mitigate where possible this risk by a structured due diligence process, typically with the support of external advisors, market knowledge, site visits and protections in the acquisition agreements.

A single subcontractor may be responsible for providing services to various project entities in which the Company will invest, and the Company has set no limit as to the number of project entities to which a single subcontractor may provide services. In such instances, the default or insolvency of such single subcontractor could adversely affect a number of the Company's investments. A similar situation may apply with respect to default, impairment or insolvency relating to financial counterparties, such as banks and insurance companies. Any credit support provided in respect of the performance of the relevant obligation may not be sufficient and may not respond at all. This could have a material adverse effect on the project entity concerned and might not only reduce financial returns but could adversely affect the Company's reputation. An overview of operational subcontractors is provided below. Bilfinger Group is the day to day service provider for the majority of these project entities and as such there is some concentration risk from this relationship.

Where the project entities have made deposits with financial institutions these are typically short or medium term. By monitoring the exposure across the portfolio, the Company seeks to mitigate any over-reliance on any single counterparty and that these institutions have an acceptable credit rating.

The concessions granted to project entities are predominantly granted by a variety of public sector clients in the UK, Canada, Australia and Germany.

Although the Management Board believes such Public Sector Clients generally represent a low counterparty risk, the possibility of a default remains and has increased in recent years, and may vary from country to country.

This risk could increase if the Company has one public sector client which is the counterparty to more than one investment. The Company is currently invested in the UK, Canada, Australia and Germany and has a wide range of public clients.

The success of the Company will depend upon the skill and expertise of the Management Board and the individuals employed by BBGI Management HoldCo in identifying, selecting, acquiring and managing the investments. There is also no certainty that key investment professionals will continue to work for the Group for the long-term.

The Company and its business may be impacted by bribery, fraud and corruption. The Company has a compliance system in place and is not aware of any such acts which could trigger that risk.

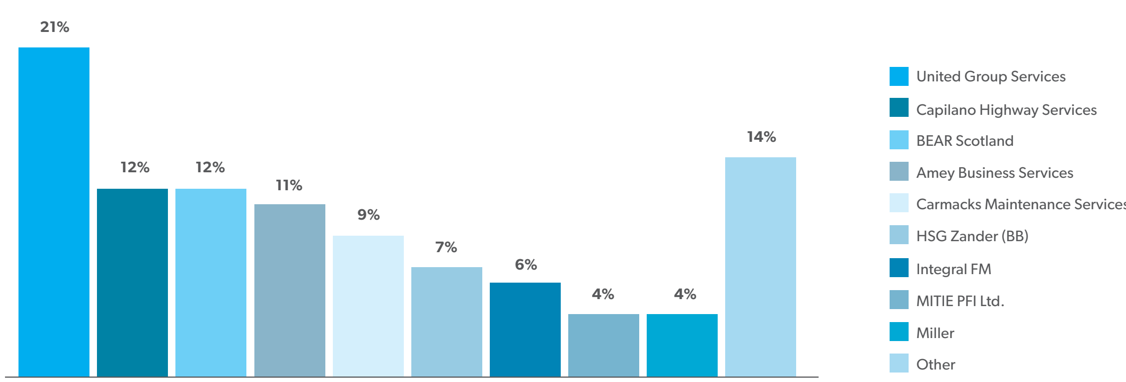
COUNTERPARTY EXPOSURE

Within BBGI's portfolio, all the PFI/PPP clients are public sector or public sector backed entities.

Across its investments, BBGI has a diversified mix of service providers who are subcontracted to deliver the facility management services.

BBGI regularly reviews the company's exposure to these operators. Also the company monitors its financial exposure to financial institutions through its bank deposit accounts, term deposits and interest rate swaps. The review processes have not identified any significant counterparty concerns.

OPERATORS



CORPORATE GOVERNANCE

INTRODUCTION

The Company is internally managed with a two-tier governance structure comprising a Supervisory Board and a Management Board, with the responsibilities of each as stated below.

The Boards recognise the importance of a strong corporate governance culture and have put in place a framework for corporate governance which they believe is appropriate for the Company.

INTERNAL CONTROLS

The Management Board is responsible for setting up the Company's system of internal control and the Supervisory Board for reviewing its effectiveness, and has therefore established an ongoing process designed to meet the particular needs of the Company in managing the risks to which it is exposed.

The process is based on a risk-based approach to internal control through a risk matrix which identifies the key mitigants and controls on which the Management Board relies to minimise those risks. The matrix is regularly reviewed and updated and the Supervisory Board is provided with regular reports highlighting all material changes to the risk ratings and the action which has been, or is being, taken.

By their nature these procedures will provide a reasonable, but not absolute, assurance against material misstatement or loss.

At each meeting the Supervisory Board also monitors the Company's investment performance in comparison to its stated objective and reviews its activities to ensure that the Management Board is adhering to the investment policy and guidelines. Further, at each meeting, the Supervisory Board receives reports from the UK Company Secretary in respect of compliance matters.

The Company has considered the need for an internal audit function but has concluded that its systems, procedures and internal review processes, and the work of the external auditors, being the auditors of the Company and the project entities, provide sufficient assurance that a sound system of internal control, that safeguards the Company's assets, is maintained. A Company-specific internal audit function is therefore considered unnecessary. The Company recognises control systems can only manage (not eliminate) the risk of failure to achieve business objectives, and to provide reasonable (not absolute) assurance against material misstatement or loss.

The Management Board has agreed clearly defined investment criteria, returns targets and risk appetite, and reports on these issues, including operating performance, cash projections, and investment valuations, are submitted to the Supervisory Board at each quarterly meeting.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company has taken out Directors' and Officers' Liability Insurance on behalf of the Directors of the Management Board and the Supervisory Board at the expense of the Company.

RELATIONS WITH SHAREHOLDERS – AIC CODE PRINCIPLE 19

The Company places great importance on communication with its shareholders and welcomes their views. All members of the Supervisory and Management Boards are available at all reasonable times to meet with principal shareholders and key sector analysts.

Feedback from investor meetings is provided by the Management Board and the Company's Joint Brokers to the Supervisory Board at the quarterly meetings. All relevant market commentary on the Company is also provided to the Supervisory Board.

It is the Company's intention to continue to meet with shareholders periodically to facilitate open two-way communication on the development of the Company.

The Company reports formally to shareholders twice a year and results of Shareholder General Meetings are announced by the Company on the day of the relevant meeting. Additionally, Interim Management Statements and other current information on the Company provided through the Company's website pages assist in keeping shareholders informed. At Shareholder Meetings, the registrar monitors the voting of shareholders and proxy voting is taken into consideration when votes are cast at such meetings.

Shareholders may contact the members of the Management Board at the registered office of the Company, which address can be found on page 65 of the Report and Accounts or on the Company's website at www.bb-gi.com.

AIC

The Company is a member of the Association of Investment Companies (the "AIC") and has carefully considered the principles and recommendations of the AIC Code of Corporate Governance (the "AIC Code") and follows the AIC's Corporate Governance Guide for Investment Companies (the "AIC Guide"). The AIC Code and AIC Guide were updated in October 2010 to take into account the newly issued UK Corporate Governance Code.

On 22 January 2013, the Financial Reporting Council provided the AIC with an updated endorsement letter to cover the February 2013 edition of the AIC Code. The endorsement confirms that the AIC Code fully meets, for investment company boards, their obligations in relation to the UK Corporate Governance Code and paragraph LR 9.8.6 of the Listing Rules.

The revised UK Corporate Governance Code applies to reporting periods beginning on or after 1 October 2012, and the AIC expects its members to apply the updated AIC Code and AIC Guide with effect from the same date. The Company will therefore apply said updated AIC Code and Guide for the first time to the 2013 reporting period. However, for the 2012 reporting period, it has applied the 2010 AIC Code.

DISCLOSURE UNDER PRINCIPLE 5 OF THE AIC CODE

Management Board

The Management Board is responsible for the day-to-day management of the Company, including administration, preparation of semi-annual valuations, the statutory accounts, the management accounts, business plans, presenting results and information to shareholders, coordinating all service providers to the Group and giving the Supervisory Board general advice and feedback. The Management Board is also responsible for undertaking the discretionary investment management of the Company's assets and those of the rest of the Group.

The Management Board comprises three members, each employed by BBGI Management HoldCo, a subsidiary of the Company, therefore none of them is deemed independent by AIC Code Principle 2. The Management Board is responsible (inter alia) for undertaking the discretionary investment management of the Company's assets and those of the rest of the Group; it therefore carries out the function of investment manager. Accordingly the Company has not engaged an external investment manager.

The function of the Management Board is overseen by the Supervisory Board which itself meets the independence criteria set out in AIC Principle 2. This two tier structure is not envisaged by the AIC Code. However the Company considers that an independent Supervisory Board ensures that the Company is compliant with AIC Code Principle 2.

The Management Board members are appointed and dismissed by the Supervisory Board on an annual basis, not by the shareholders, and therefore this does not meet the requirements of Principles 3 or 4, which require the shareholders of the Company to vote on the appointment / reappointment of Directors. However as the Management Board carries out the role of an investment manager the Supervisory Board deems it appropriate that the Management Board members are appointed and dismissed by the Supervisory Board on an annual basis. The members of the Supervisory

Board are elected and dismissed by the shareholders and as such the Company considers that this meets the requirements of Principles 3 and 4.

Supervisory Board

The Supervisory Board consists of four members who are all Non-Executive Directors. In accordance with Principle 2 of the AIC Code, a majority of the Non-Executive Directors are independent.

In accordance with the Articles, all members of the Supervisory Board are elected for a period ending at the Annual General Meeting of the Company in April every year, at which time they are required to retire. They may, if they so wish, offer themselves for re-election by shareholders; however, re-appointment is not automatic.

Although the Company is not a member of the FTSE 350, the annual re-election requirement of the AIC Code Principle 3 is met by the Articles which provide for a more stringent process than that required for non-FTSE 350 companies.

The Supervisory Board believes that its members have a sufficient balance of skills and experience to enable them to fulfil their obligations. The Supervisory Board meets at least four times a year and between these formal meetings there is regular contact with the Management Board and the Company's third party service providers.

The members of the Supervisory Board are kept fully informed of investment and financial controls, and other matters relevant to their remit. Both Supervisory and Management Board members also have access, where necessary in the furtherance of their duties, to independent professional advice at the expense of the Company. In the period under review, the Supervisory Board met six times including one unscheduled meeting. Attendance of individual Supervisory Board members can be found on page 49.

As previously mentioned, the Supervisory Board members have a breadth of experience relevant to the Company, and the Company believes that any future changes to the composition of the Supervisory Board can be managed without undue disruption. On appointment to the Supervisory Board, new members will be provided with an induction.

The Supervisory Board considers items laid out in the Notices and Agendas of meetings, which are formally circulated to its members in advance of the meeting as part of the Board papers; members may also request the addition of any agenda item they consider appropriate for Board discussion. At each meeting, the members are required to advise of any potential or actual conflicts of interest prior to discussion.

Performance evaluation of Supervisory Board

The Supervisory Board evaluates its performance and considers the term and independence of each member on an annual basis. The Board believes that the mix of skills meet the requirements of the Company. The annual evaluation for the year ended 31 December 2012 has been completed by the Chairman. The evaluation performed comprised completion of a hard copy form followed by collation of all comments into a summary.

The Board considered the results of this evaluation process and it was agreed that the current composition of both the Board and its Audit Committee reflected a suitable mix of skills and experience, and that each was functioning effectively. For the evaluation of the Chairman, the Senior Independent Director discussed the results of the questionnaire with the Chairman prior to further distribution to, and discussion with, the remaining members.

Performance evaluation of Management Board

As stated on page 46, the Management Board carries out the functions of the Company's investment manager, and its members are appointed by the Supervisory Board for a period of one year renewable. During the year under review, the Supervisory Board conducted an evaluation of the performance of the Management Board and its members, as a result of which the Supervisory Board concluded that both the Management Board and individual members were operating effectively and efficiently, and their continued appointment was in the best interests of the Company and its shareholders as a whole.

As a result of these positive evaluations, the Supervisory Board appointed each current member of the Management Board for a further term of one year with effect from 5 October 2012.

Re-election of Supervisory Board members

In accordance with the Articles of Incorporation, Supervisory Board members are elected for a period ending at the Company's next annual general meeting at which time they are eligible for reappointment. Each member of the Supervisory Board has decided to offer himself for re-election at the forthcoming Annual General Meeting and, as a result of the successful performance evaluation described above, the Supervisory Board recommends the re-election of each member. The supporting biography of each member can be found on page 8 of this annual report.

Review / monitoring obligations / delegation of responsibilities of Supervisory Board

The primary focus at Supervisory Board meetings is a review of investment performance and associated matters such as risk management, marketing/investor relations, gearing, general administration and compliance, peer group information and industry issues. In addition, it is responsible for establishing and monitoring compliance with the Company's investment policy, appointing the members of the Management Board, supervising and monitoring the appointment and performance of the Company's 3rd party service providers (and those of its subsidiaries) and providing general supervisory oversight to the operations of the Group as a whole.

The Supervisory Board will continue to consider constantly the Company's strategy with regard to market conditions and feedback from both the Management Board and shareholders. The investment strategy, which is set out in the Company's prospectus and this annual report, is reviewed regularly with the Management Board.

MEMBERS OF THE SUPERVISORY BOARD AND MANAGEMENT BOARD

Name	Function	Independence	Age	Original appointment	Renewal to be considered
SUPERVISORY BOARD					
David Richardson	Chairman, Supervisory Board	Independent	61	3 October 2011	30 April 2013
Thomas Töpfer	Supervisory Board	Non-independent	51	3 October 2011	30 April 2013
Colin Maltby	Supervisory Board	Independent	62	3 October 2011	30 April 2013
Howard Myles	Supervisory Board, Chairman of Audit Committee	Independent	63	3 October 2011	30 April 2013
MANAGEMENT BOARD					
Frank Schramm	Management Board		44	5 October 2011	5 October 2013
Duncan Ball	Management Board		47	5 October 2011	5 October 2013
Arne Speer	Management Board		41	5 October 2011	5 October 2013

This table sets out the expiry dates of the current terms of the directors' appointments. All appointments may be renewed in accordance with the provisions of the Company's Articles.

Attendance at meetings during the financial period ending 31 December 2012

Attendance by the members of each Board for both scheduled and unscheduled meetings is indicated in the table below.

Name	Scheduled Meetings attended	Unscheduled meetings attended*
SUPERVISORY BOARD	5	1
David Richardson	5	1
Thomas Töpfer	4	0
Colin Maltby	5	1
Howard Myles	5	1
AUDIT COMMITTEE	2	0
Howard Myles	2	-
David Richardson	2	-
Colin Maltby	2	-
MANAGEMENT BOARD	9	8
Frank Schramm	9	7
Duncan Ball	9	2
Arne Speer	9	8

* From time to time there are unscheduled meetings of both the Supervisory Board and Management Board, most of which are short notice meetings to approve documents previously discussed or of a technical nature. Due to the generally short notice of these meetings, not all members are able to attend.

Other listed company directorships

David Richardson (Chairman)
Serco Group plc
Assura Group Limited

Thomas Töpfer
Bilfinger SE

Howard Myles
The World Trust Fund
Aberdeen Private Equity Fund Limited
Baker Steel Resources Trust Limited
BlackRock Hedge Selector Limited
JP Morgan Brazil Investment Trust plc
Small Companies Dividend Trust plc

Colin Maltby
HarbourVest Senior Loans Europe Limited
BACIT Limited (formerly known as Battle Against Cancer Investment Trust Limited)
Ocean Wilson Holdings Limited (from 1 January 2013)
BlackRock Absolute Return Strategies Limited (delisted on 17 January 2013)

COMMITTEES OF THE SUPERVISORY BOARD

AUDIT COMMITTEE

The Audit Committee has been in operation throughout the year in accordance with the AIC Code. The Committee operates within clearly defined terms of reference including all matters indicated by Disclosure and Transparency Rule 7.1 and UK Corporate Governance Code and comprises three independent Non-Executive Directors who are members of the Supervisory Board: Howard Myles is the Chairman of the Committee, with Colin Maltby and David Richardson the other members.

The Audit Committee met twice in the year to 31 December 2012 and considered, inter alia:

- Annual and semi-annual accounts;
- Reports of the Auditors;
- Auditors' terms of appointment and remuneration (including overseeing the independence of the Auditors particularly as it relates to the provision of non-audit services) in accordance with the Law on the Audit Profession dated 18 December 2009;
- Reviewing and approving the external auditors' plan for the following financial year;
- Reviewing the appropriateness of the Company's accounting policies; and
- Ensuring the adequacy of the internal control systems and standards.

In the event of any conflict between the provisions of the AIC Code and the provisions of the law on the Audit Profession, the Company will comply with the provisions of the law on the Audit Profession.

The Auditors and other 3rd party service providers were invited to attend the Audit Committee meetings at which the Annual and Semi-Annual Accounts were considered and were provided the opportunity to meet with the Committee. The Committee also reviewed the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditors, with particular regard to non-audit fees.

The terms of reference of the Audit Committee are available from the Company Secretary upon request.

Other Committees

There are no other constituted Committees of the Board.

The Supervisory Board considers its size to be such that it would be unnecessarily burdensome to establish separate Management Engagement, Nominations and Remuneration Committees, and therefore the functions of these Committees are carried out by the Supervisory Board as a whole, which is responsible for making recommendations in relation to the Group's remuneration programme and on proposed changes of the Group's senior personnel. There are therefore no terms of reference in relation to these Committees. The Supervisory Board, in its capacity as Remuneration Committee, met once during the period under review, to conduct the annual pay review of the Management Board and team.

The Supervisory Board, acting as Nominations Committee, met twice in the year to 31 December 2012, firstly to consider and subsequently approve the re-appointment of the members of the Management Board, and also to discuss with the Management Board succession planning and have subsequently developed a comprehensive succession plan.

At each scheduled meeting during the reporting period, the Supervisory Board, as Management Engagement Committee, and with the Management Board, considered the performance and ongoing appointment of the Company's 3rd party service providers. Over the year, it has concluded that the ongoing appointments of these 3rd party service providers continue to be in the best interests of the Company as a whole.

REMUNERATION OF MANAGEMENT AND SUPERVISORY BOARD

During the year the board members were paid the following fees:

SUPERVISORY BOARD	£
David Richardson	45,000
Colin Maltby	32,500
Howard Myles	32,500
Thomas Töpfer	30,000

The aggregate remuneration of the directors of the Supervisory Board in their capacity as such was £140,000.

None of the members on the Management Board receive a fee for acting in their capacity as directors of the Management Board.

Board members and other interests

Frank Schramm and Duncan Ball who are members on the Management Board are also BBGI Management HoldCo managers. Apart from Mr Schramm and Mr Ball, none of the other members have Service Contracts. Arne Speer is an employee of BBGI Management HoldCo.

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

There are no family relations between the members of the Management Board and the Supervisory Board. David Richardson, Colin Maltby and Howard Myles are all considered to be independent board members as (i) they have not been employees of the Company or the Bilfinger group (ii) have not had material business relationships with the Company (iii) have not received additional remuneration from the Company (iv) do not have family ties with any of the Company's advisers, directors or senior employees (v) do not hold cross-directorships or have links with other directors through involvement on other companies (vi) do not represent a significant shareholder (vii) and have not served on the board for more than nine years.

Thomas Töpfer is considered to be a non-independent board member as he has acted since 2009 as a Member of the Executive Board at Bilfinger SE, a significant shareholder where he is responsible for Industrial Services, Project Investments, Health, Safety, Environment and Quality Management.

Bilfinger Group's right to appoint a Director

Pursuant to the shareholding and brand agreement with the Company, Bilfinger Group has agreed to procure that Mr Töpfer will immediately offer his resignation from the Supervisory Board: (a) if at any time the Bilfinger Group's holding of ordinary shares falls below 10% of the issued Ordinary Share capital of the Company; or (b) if he ceases to be a director of Bilfinger SE or ceases to have any other office, employment or consultancy arrangement with any member of the Bilfinger Group.

Under the terms of the same agreement, if Mr Töpfer were to leave the Supervisory Board then, provided the Bilfinger Group continues to hold 10% or more of the issued Ordinary Share capital of the Company, Bilfinger SE shall have the right to propose a replacement director to the Supervisory Board provided the Supervisory Board gives its consent to such appointment (such consent not to be unreasonably withheld or delayed).

The Supervisory Board, acting as Nominations Committee of the Company, is obliged to consider any such nomination in good faith, but may approve or reject the proposed nomination at its discretion. Any such nomination is subject to approval by Shareholders by way of an ordinary resolution.

SHAREHOLDINGS OF MEMBERS OF MANAGEMENT/SUPERVISORY BOARD

Name	Ordinary shares held	% of issued share capital
David Richardson	81,928	0.04
Thomas Töpfer	41,034	0.02
Colin Maltby	30,000	0.01
Frank Schramm	76,939	0.04
Duncan Ball	76,939	0.04
Arne Speer	35,905	0.02

Remuneration of the Management

The Supervisory Board and the Management Board believe that an appropriate remuneration programme for the Management Board plays an important role in achieving short and long-term business objectives that ultimately drives business success in alignment with long-term shareholder goals.

The level and structure of the remuneration, compensation and any other benefits to which the Supervisory Board, the Management Board and other management team members that are employed by BBGI Management HoldCo or other members of the Group are entitled are reviewed by the Supervisory Board (acting as the Company's Remuneration Committee) on an annual basis. The Supervisory Board makes recommendations in respect of the remuneration programme to the Management Board who implement these.

The objectives of the remuneration programme are to:

- Attract and retain highly qualified employees with a history of proven success
- Align the interests of the Group's employees with Shareholders' interests and with the execution of the Company's investment policy and fulfilment of the Company's investment objectives
- Establish performance goals that, if met, are expected to improve long-term Shareholder value
- Link compensation to performance goals and provide meaningful rewards for achieving them

The remuneration programme is reviewed annually and appropriate benchmarking with comparable businesses to that of the Company is undertaken with the intention of ensuring that the remuneration programme remains competitive in order to achieve the objectives above.

Under the current remuneration programme, all employees of BBGI Management HoldCo (which include the members of the Management Board, Mr Schramm, Mr Ball and Mr Speer) are entitled to an annual base salary payable monthly in arrears, which is reviewed annually by the Supervisory Board. In addition, certain senior executives (including Mr Schramm and Mr Ball) are also entitled to participate in a short-term incentive plan ("STIP") and a long-term incentive plan ("LTIP").

Service contracts

BBGI Management HoldCo has entered into service contracts with both Mr Schramm and Mr Ball (each such contract being a "Service Contract"). The Service Contracts for Mr Schramm and Mr Ball are on identical terms and conditions save that the payments to Mr Schramm are in Euros and those to Mr Ball are in Canadian Dollars and are each terminable by BBGI Management HoldCo with immediate effect for "cause" or "without cause", subject to payment of 24 months' pay and benefits, or can be terminated by the relevant individual by giving twelve months' written notice to BBGI Management HoldCo.

Mr Schramm and Mr Ball are each entitled to an annual base salary payable monthly in arrears of €250,000 per annum and C$352,890 per annum respectively which is reviewed annually by the Supervisory Board. The salaries are reviewed with effect from 1 July each year. No change was made in 2012 as the salaries were originally set December 2011.

SHORT-TERM INCENTIVE PLAN (STIP)

Under the STIP, Mr Ball and Mr Schramm are entitled to an annual award ranging from 0% to 80% of their annual base salary, subject to the achievement of pre-determined performance objectives set by the Supervisory Board at the beginning of the relevant financial year. The maximum amount payable under the STIP is 80% of the relevant executive's base salary, and the target performance is 48% of an executive's annual base salary.

Payments under the STIP will be payable in cash or near cash instruments and will be made by the relevant member of the Group that employs the relevant executive (i.e. BBGI Management HoldCo in the case of Mr Schramm and Mr Ball). The Supervisory Board is responsible for determining both whether the relevant performance objectives (which may be financial and non-financial) have been satisfied and the level of the payment under the STIP for the relevant year.

On termination where the individual resigns or is terminated for "cause", the individual will be paid on the normal STIP payment date a sum based on actual contributions towards performance objectives and then pro-rated based on the individual's service during the applicable STIP year. If the individual is terminated "without cause", they will receive a sum on termination based on the performance objectives being deemed to have been met and then pro-rated based on the individual's service during the applicable STIP year. In addition, where termination is "without cause", the individual will receive a payment equivalent to twice the target annual STIP payment based on achievement of performance objectives.

In 2012 Mr Schramm received a bonus of €5,913.47 and Mr Ball C$8,347.94 in respect of the period from admission to 31 December 2011. Both Mr Schramm and Mr Ball will each receive a bonus of 75% of their base salary for the year ending 31 December 2012. Mr Schramm will receive €187,500 and Mr Ball will receive CAD 264,667.50. Bonuses will be paid in May 2013.

LONG-TERM INCENTIVE PLAN (LTIP)

Under the LTIP, Mr Ball and Mr Schramm may be awarded a percentage of the executive's salary, depending on the performance of the Company, measured by the total shareholder return over each rolling three year Return Period.

The target award is 50% of the relevant executive's salary and the maximum award is 100% of the relevant executive's salary. The target award will be determined by reference to a threshold hurdle of a total shareholder return of 16.5% over the three year return period starting from 21 December 2011. The maximum award requires a total shareholder return of approximately 28% over the three year period.

Awards under the LTIP will be made at the beginning of each return period but will only accrue at the end of the return period. Continued employment is a normal condition of the award. Payments under the LTIP will be payable in cash or near cash instruments after the end of the return period, once the determination has been made by the Supervisory Board, and will be made by the member of the Group that employs the relevant executive (i.e. BBGI Management Holdco in the case of Mr Schramm and Mr Ball).

On termination where the individual resigns or is terminated for "cause", all LTIPs unpaid to the relevant individual by the termination date will be forfeited. If the individual is terminated "without cause", a payment will be made at the normal LTIP payment dates in respect of any outstanding LTIP calculated on the basis of target total shareholder return being deemed to have been met and the LTIP sum then pro-rated to reflect actual service to termination plus deemed service for a further 24 months during the relevant LTIP term.

No long term incentive payment was due for the year 2012.

In December 2012 both Mr Schramm and Mr Ball were granted a new LTIP on the same terms as the 2011 grant. This new LTIP will run until the period ending December 2015.

No loan has been granted to, nor any guarantee provided for the benefit of, any manager by BBGI Management HoldCo.

There are no family relationships between Mr Schramm and Mr Ball.

Neither Mr Schramm nor Mr Ball will acquire or have options over any shares in BBGI Management HoldCo, which is and is intended to be wholly owned by the Company.

As at the date of this Annual Report, there are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits.

Employment contract

BBGI Management HoldCo has entered into a contract of employment with Mr Speer, which is terminable on six months' written notice by either party.

Mr Speer is entitled to an annual base salary payable monthly in arrears of €123,000 per annum which is reviewed annually by the Supervisory Board. In addition, Mr Speer is entitled to be considered for a discretionary bonus. The maximum amount payable under this bonus is 62% of the Mr Speer's annual base salary, and the target performance is 53% of Mr Speer's annual base salary.

As at the date of this Annual Report, there are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits.

Mr Speer received a bonus of EUR 2,290.41 in respect of the period from admission to 31 December 2011. Mr Speer will receive a bonus payment of EUR 60,125 for the year end 31 December 2012. Payment will be made in May 2013.

INVESTOR COMMUNICATIONS

The Management Board and the Supervisory Board are keen to maintain and develop engagement with shareholders. Regular and comprehensive feedback from investors is received via the Management Board and the Corporate Brokers. The Management Board have made themselves available to major shareholders, collectively and on a one-on-one basis, for discussion of key issues and expectations around Company performance.

The Management Board and the Supervisory Board regularly review the level and quality of the information which the Company published both on the Company website and in reports and presentations. Our intention is to remain at the forefront of disclosure and transparency for our asset class.

ENVIRONMENTAL AND SOCIAL GOVERNANCE ("ESG")

As part of their corporate social responsibility, the Management Board and the Supervisory Board recognise the importance of ensuring that the Company develops appropriate environmental, social and ethical policies. The Company has implemented its ESG policies which have been designed to ensure that the Company follows best practices in relation to corporate responsibility. The policies are monitored and updated on an ongoing basis.

In respect of further investments, as part of the due diligence process, BBGI Management HoldCo will analyse the environmental, social and ethical policies of potential new acquisitions and, where possible, the adherence to those policies by key contractors and service providers. In addition, BBGI Management HoldCo will undertake an analysis of governance procedures at the relevant project entity with the intention of ensuring that the Company has appropriate representation and influence at the project entity level.

Once the Company has acquired an investment in a project entity, BBGI Management HoldCo undertakes regular reviews of the environmental, social and ethical policies that the project entities have in place and their adherence to these policies in the delivery of their services. Health and safety are also monitored across the Company's portfolio and any serious breaches of health and safety are reported to the Management Board who in turn report to the Supervisory Board.

DONATIONS

The Company made no political or charitable donations during the reporting period.

MATERIAL CONTRACTS

In July 2012 the Company entered into a 3 year £35 million Revolving Credit Facility and Letter of Credit option with three lenders, The Royal Bank of Scotland plc, National Australia Bank Limited and KfW IPEX-Bank GmbH to finance acquisitions, to provide letters of credit for outstanding equity obligations or for working capital purposes (to a limit of £5 million).

With the exception of the credit facility no additional contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company during the year ended 31 December 2012.

MANAGEMENT BOARD RESPONSIBILITIES STATEMENT

The Management Board of the Company is responsible for ensuring proper preparation of the annual report and financial statements of the Company for each financial period in accordance with applicable laws and regulations, which require them:

i) to give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as of and at the end of the financial period in accordance with International Financial Reporting Standards as adopted by the European Union and the Listing Rules; and

ii) to give a true and fair view of the development and performance of the business and the position of the Group as well as a true and fair description of the principal risks and uncertainties the Group may encounter.

In addition, the Management Board is responsible for ensuring that the Company is in compliance with applicable company law and other UK or Luxembourg applicable laws and regulations and to provide a description of the risks and uncertainties the Group may encounter and to put in place an appropriate control framework designed to meet the Group's particular needs and the risks to which it is exposed.

In preparing such financial statements the Management Board is responsible for:

- Selecting suitable accounting policies and applying them consistently
- Making judgments and estimates that are reasonable and prudent
- Stating whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Preparing the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business
- Maintaining proper accounting records which disclose with reasonable accuracy the financial position of the Group and enable them to ensure that the financial statements comply with all relevant regulations
- Safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

MANAGEMENT BOARD RESPONSIBILITIES STATEMENT

We confirm that to the best of our knowledge:

- The financial statements have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and Group included in the consolidation as a whole.

- The Chairman's statement and the report of the Management Board include a fair review of the development and performance of the business and the position of the Company and Group included in the consolidation taken as a whole together with a description of the principal risks and uncertainties that it faces.

Luxembourg, 27 March 2013

FRANK SCHRAMM, Co-CEO

DUNCAN BALL, Co-CEO

ARNE SPEER Director

INDEPENDENT AUDITOR'S OPINION

KPMG Luxembourg S.à r.l.
9, allée Scheffer
L-2520 Luxembourg

Telephone +352 22 51 51 1
Fax +352 22 51 71
Internet www.kpmg.lu
Email info@kpmg.lu

To the Shareholders of
BILFINGER BERGER GLOBAL INFRASTRUCTURE SICAV S.A.
Aerogolf Centre, Heienhaff 1a
L-1736 Senningerberg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the consolidated financial statements and separate financial statements

We have audited the accompanying consolidated financial statements of Bilfinger Berger Global Infrastructure SICAV S.A. (the 'Company') and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2012 and the consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory notes.

We have also audited the accompanying separate financial statements of the Company, which comprise the statement of financial position as at 31 December 2012 and the statements of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory notes.

Management Boards' responsibility for the consolidated financial statements and separate financial statements

The Management Board is responsible for the preparation and fair presentation of these consolidated financial statements and separate financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements and separate financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises agréé

Our responsibility is to express an opinion on these consolidated financial statements and separate financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance whether the consolidated financial statements and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and separate financial statements. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the consolidated financial statements and the separate financial statements, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements and the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Board, as well as evaluating the overall presentation of the consolidated financial statements and the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S OPINION

KPMG

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Bilfinger Berger Global Infrastructure SICAV S.A. as of 31 December 2012, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

In our opinion, the separate financial statements give a true and fair view of the financial position of Bilfinger Berger Global Infrastructure SICAV S.A. as of 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Other matters

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the consolidated financial statements and separate financial statements taken as a whole.

Report on other legal and regulatory requirements

The consolidated management report, which is the responsibility of the Board of Directors is consistent with the consolidated financial statements. The accompanying Corporate Governance Statements, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements and includes the information required by the law.

Luxembourg, 27 March 2013

KPMG Luxembourg S.à r.l.
Cabinet de révision agréé

Frauke Oddone

CONSOLIDATED INCOME STATEMENT

In thousands of Pounds Sterling	Note	Year ended 31 December 2012 Revenue	Year ended 31 December 2012 Capital*	Year ended 31 December 2012 Group	3 October 2011 to 31 December 2011 Revenue	3 October 2011 to 31 December 2011 Capital	3 October 2011 to 31 December 2011 Group
Continuing operations							
Revenue	6	33,708	-	33,708	-	-	-
Cost of services		(28,900)	-	(28,900)	-	-	-
Gross profit		4,808	-	4,808	-	-	-
Fair value changes on investments at fair value through profit or loss	11	-	10,361	10,361	-	-	-
Negative goodwill	10	-	10,465	10,465	-	-	-
Administration expenses	7	(3,292)	-	(3,292)	(230)	-	(230)
Other operating income		129	-	129	-	-	-
Other operating expenses		(845)	-	(845)	-	-	-
Results from operating activities		800	20,826	21,626	(230)	-	(230)
Finance cost	9	(29,742)	-	(29,742)	-	-	-
Finance income	8	35,488	-	35,488	42	-	42
Net finance result		5,746	-	5,746	42	-	42
Profit/(Loss) before tax		6,546	20,826	27,372	(188)	-	(188)
Tax expense	14	(2,238)	(3,027)	(5,265)	(8)	-	(8)
Profit from continuing operations		4,308	17,799	22,107	(196)	-	(196)
Attributable to :							
Owners of the Company		4,097	17,799	21,896	(196)		(196)
Non-controlling interests		211	-	211	-	-	-
Earnings per share							
Basic earnings per share (pence)	16	1.930	8.386	10.316	(0.462)	-	(0.462)
Diluted earnings per share (pence)	16	1.930	8.386	10.316	(0.462)	-	(0.462)

*See Note 2

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

In thousands of Pounds Sterling	Note	Year ended 31 December 2012 Revenue	Year ended 31 December 2012 Capital	Year ended 31 December 2012 Group	3 October 2011 to 31 December 2011 Revenue	3 October 2011 to 31 December 2011 Capital	3 October 2011 to 31 December 2011 Group
Profit/(Loss) for the year period		4,308	17,799	22,107	(196)	-	(196)
Other comprehensive income							
Foreign currency translation differences – foreign operations		(2,266)	-	(2,266)	-	-	-
Effective portion of changes in fair value of cash flow hedges	19	(22,397)	-	(22,397)	-	-	-
Income tax on other comprehensive income		6,037	-	6,037	-	-	-
Other comprehensive income/(loss) for the year / period, net of tax		(18,626)	-	(18,626)	-	-	-
Total comprehensive income/(loss) for the year / period		(14,318)	17,799	3,481	(196)	-	(196)
Comprehensive income/(loss) attributable to :							
Owners of the Company		(14,036)	17,799	3,763	(196)	-	(196)
Non-controlling interests		(282)	-	(282)	-	-	-
Total comprehensive income/(loss) for the year / period		(14,318)	17,799	3,481	(196)	-	(196)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of Pounds Sterling	Note	31 December 2012	31 December 2011
Assets			
Property plant and equipment		19	-
Intangible assets and goodwill	4,10	19,133	-
Investments at fair value through profit or loss	11	49,615	-
Receivables from service concession agreements	12	720,235	-
Trade and other receivables	21	58,428	-
Deferred tax assets	14	46,550	-
Other non-current assets		8,171	-
Non-current assets		902,151	-
Receivables from service concession agreements	12	61,047	-
Trade and other receivables		10,102	-
Other current assets		570	-
Cash and cash equivalents	13	62,103	207,800
Current assets		133,822	207,800
Total assets		1,035,973	207,800
Equity			
Share capital	15	208,807	207,760
Translation reserves	15	(2,266)	-
Hedging reserve	15	(15,866)	-
Other reserves	15	982	-
Retained earnings		14,916	(196)
Equity attributable to owners of the Company		206,573	207,564
Non-controlling interests	17	4,978	-
Total equity		211,551	207,564
Liabilities			
Loans and borrowings	18	625,242	-
Other payables		3,105	228
Derivative financial instruments	19	84,964	-
Deferred tax liabilities	14	64,518	-
Non-current liabilities		777,829	228

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

In thousands of Pounds Sterling	Note	31 December 2012	31 December 2011
Loans and borrowings	18	25,588	-
Trade payables		7,863	-
Other payables		7,253	-
Deferred income/revenue		3,542	-
Provisions		187	8
Tax liabilities	14	2,160	-
Current liabilities		46,593	8
Total liabilities		824,422	236
Total equity and liabilities		1,035,973	207,800
Net asset value attributable to the owners of the Company		206,573	207,564
Net asset value per ordinary share (pence)	16	96.989	97.907

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to the owners of the Company						Non-controlling interests	Total equity
In thousands of Pounds Sterling	**Note**	**Share capital**	**Translation reserve**	**Hedging reserve**	**Other reserve**	**Retained earnings**	**Total**		
Balance at 3 October 2011		-	-	-	-	-	-	-	-
Ordinary shares issued		207,760	-	-	-	-	207,760	-	207,760
Loss for the period		-	-	-		(196)	(196)	-	(196)
Balance at 31 December 2011	15	207,760	-	-	-	(196)	207,564	-	207,564
Minority interest acquired		-	-	-	-	-	-	5,261	5,261
Total comprehensive income for the year									
Profit/(Loss) for the year		-	-	-	-	21,896	21,896	211	22,107
Total other comprehensive income		-	(2,266)	(15,866)	-	-	(18,132)	(494)	(18,626)
Total comprehensive income for the year		-	(2,266)	(15,866)	-	21,896	3,764	(283)	3,481
Transactions with owners of the Company, recognized directly in equity									
Cash dividends	15	-	-	-	-	(5,738)	(5,738)	-	(5,738)
Scrip dividends		1,047	-	-	-	(1,047)	-	-	-
Acquisition of additional equity interest in a subsidiary	4	-	-	-	982	-	982	-	982
Balance at 31 December 2012		208,807	(2,266)	(15,866)	982	14,916	206,573	4,978	211,551

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

CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of Pounds Sterling	Note	Year ended 31 December 2012	3 October 2011 to 31 December 2011
Cash flows from operating activities			
Profit/(Loss) for the year		22,107	(196)
Adjustments for:			
- Depreciation		5	-
- Net finance cost (income)	8,9	(5,746)	-
- Change in fair value of investments recorded at fair value through profit or loss	11	(10,361)	-
- Foreign exchange impact on operating activities		(668)	-
- Negative goodwill recognized	10	(10,465)	-
- Income tax expense	14	5,265	8
		137	(188)
Changes in:			
- Trade and other receivables		345	228
- Other assets		(1,483)	-
- Trade and other payables		(1,058)	-
Cash generated from operating activities		(2,059)	40
Interest paid		(32,244)	-
Interest received		38,956	-
Taxes paid		63	-
Net cash flows from operating activities		4,716	40
Cash flows from investing activities			
Dividends received	11	4,457	-
Acquisition of subsidiaries and intercompany loans - net of cash acquired	4	(125,787)	-
Acquisition of investments at fair value through profit or loss	4	(16,482)	-
Acquisition of loans receivable from investments at fair value through profit or loss	4	(12,958)	-
Loan repayments from investments at fair value through profit or loss		2,166	-
Acquisition of other equipment		(6)	-
Net cash flows from investing activities		**(148,610)**	**-**

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

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

In thousands of Pounds Sterling	Note	Year ended 31 December 2012	3 October 2011 to 31 December 2011
Cash flows from financing activities			
Proceeds from issuance of loans and borrowings		10,871	-
Repayment of borrowings		(7,030)	-
Dividends paid	15	(5,738)	-
Proceeds from issue of ordinary shares		-	212,000
Payment of transaction costs		-	(4,240)
Net cash flows from financing activities		(1,897)	207,760
Net increase (decrease) in cash and cash equivalents		(145,791)	207,800
Cash and cash equivalents at 1 January	13	207,800	-
Effect of exchange rate fluctuation on cash and cash equivalents		94	-
Cash and cash equivalents at 31 December	13	62,103	207,800

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

1. REPORTING ENTITY

Bilfinger Berger Global Infrastructure SICAV S.A. (the 'Company') is an investment company domiciled in Luxembourg that was incorporated on 3 October 2011 under the law of 17 December 2010 concerning undertakings for collective investment. The address of the Company's registered office is the Aerogolf Centre, Heienhaff 1A, 1736 Senningerberg, Luxembourg. The Company is admitted to the official list of the UK Listing Authority (premium listing, investment company) and to trading on the main market of the London Stock Exchange.

The Company is a closed-ended investment company that seeks to invest in a diversified portfolio of operational (or near operational) Private Finance Initiative (PFI) / Public Private Partnership (PPP) infrastructure assets or similar assets.

The Group employed 9 employees as of 31 December 2012 (3 in 31 December 2011)

Reporting period

The Company's reporting period runs from 1 January to 31 December, every year. The Company's ("the Group" if referred together with its subsidiaries) first financial report was made for the period from 3 October 2011 (date of incorporation) to 31 December 2011. The consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows includes comparative figures as at 31 December 2011. The amounts presented as non-current in the consolidated statement of financial position are those which are expected to be settled after more than one year. The amounts presented as current are those which are expected to be settled within one year.

Certain modifications have been made on the 31 December 2011 comparative information presented in order to present them more appropriately in the current consolidated financial statements and to allow a better comparison with the 31 December 2012 amounts.

2. BASIS OF PREPARATION

Statement of compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the provisions of the Standard of Recommended Practices issued by the Association of Investment Companies (AIC SORP).

Supplementary information has been provided analysing the income statement between those items of a revenue nature and those of a capital nature, in order to reflect better the Group's activities as an investment company. Those items of income and expenditure which relate to normal operations of entities considered as subsidiaries are shown as "revenue". Those items of income and expenditure which arise from (1) changes in the fair value of investments at fair value through profit or loss and the resulting deferred tax assets and liabilities from such and (2) negative goodwill recognized from acquisition of subsidiaries are recognized as "capital".

These consolidated financial statements were approved by the Management Board and Supervisory Board on 27 March 2013.

Basis of measurement

These consolidated financial statements have been prepared on historical costs basis, except for derivative financial instruments and investments at fair value through profit or loss which are reflected at fair value.

Functional and presentation currency

These consolidated financial statements are presented in Pounds Sterling, which is the Company's functional currency.

Use of estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, 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, which are described in Note 3, the management has made the following judgements that have the most significant effect on the amounts recognized in the financial statements.

Service Concession Agreements (SCAs) under IFRIC 12 ('Service Concession Agreements')

SCAs fall within the scope of IFRIC 12 where the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and the grantor controls, through ownership, beneficial entitlement or otherwise, any significant residual interest in the infrastructure at the end of the service arrangement. Judgement is required to determine whether SCAs controlled by the Group fall within this scope and, if so, whether the nature of the arrangement gives rise to a financial asset, an intangible asset, or both.

SCAs are determined to be financial assets where the revenues from projects are "availability based". Alternatively, service concessions are determined to be intangible assets to the extent the operator has a contractual right to charge users of the public services and the revenues from such right are dependent on usage. Where service concessions are determined to contain both of these elements, a bifurcated ("dual") model will be adopted.

All of the Group's SCAs which fall within the scope of IFRIC 12 are considered to give rise to financial assets on the basis that substantially all of the unitary charge is received from the grantor on an 'availability' basis.

Fair valuation of financial assets and financial liabilities including investment in joint ventures and associates

The Group accounts for its investment in associates and joint ventures at fair value through profit or loss under the exemption provided by IAS 28 and IAS 31.

Fair values for such investments for which a market quote is not available are determined using the income approach which discounts the expected cash flows at the appropriate rate. In determining the discount rate, certain assumptions are made which are based on market rates. The management believe that the discount rates used are representative of the current market rates for similar PFI/PPP projects.

The fair value of other financial assets, other than current assets, and liabilities has been determined by discounting future cash flows at an appropriate discount rate and with reference to recent market transactions.

Impairment

Goodwill is measured at cost less accumulated impairment losses. Impairment is tested at least annually by comparing the value of the net assets of each of the cash generating units of the Group (a project or group of projects) measured under IFRS with the net present value of cash flows in relation to each project (or group of projects) using the internally generated model and reviewed by external valuers.

Service concession receivables and trade and other receivables are also measured at amortized cost using the effective interest method less any accumulated allowance for impairment. Management performs tests of impairment on service concession receivables and trade and other receivables if there is an indication that such receivables are impaired. A general approach taken is to assess the counterparty's ability to pay. As of 31 December 2012 the management have assessed that there is no indication of impairment on the service concession receivables and trade and other receivables.

Recognition and measurement of current and deferred tax

In determining the amount of deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretation of tax law and prior experience. This assessment relies on estimates and assumptions and involves a series of judgements about future events, which includes availability of future profits to realize the recognized deferred tax assets. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities and the probability of claiming deferred tax assets; such changes to tax liabilities and tax assets will impact tax expense in the period that such determination is made.

Going concern basis of accounting

The Management Board has examined significant areas of possible financial risk including cash and cash requirements. They have 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 consolidated 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 in preparing the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Company and its subsidiaries, as applicable.

BASIS OF CONSOLIDATION

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in fair value of the contingent consideration are recognised in profit or loss.

Acquisition of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. Adjustments to non-controlling interest arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an investment at fair value through profit or loss or as an available-for-sale financial asset depending on the level of influence retained.

Transactions eliminated on consolidation

Intra-group receivables, liabilities, revenue and expenses are eliminated in their entirety when preparing the consolidated financial statements. Gains that arise from intra-group transactions and that are unrealised from the standpoint of the Group on the balance sheet date are eliminated in their entirety. Unrealised losses on intra-group transactions are also eliminated in the same way as unrealised gains, to the extent that the loss does not correspond to an impairment loss.

FOREIGN CURRENCY

Foreign currency transactions

Transactions in foreign currencies are translated into Pounds Sterling at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Pounds Sterling at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into Pounds Sterling at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on translation are recognised in profit or loss as a gain or loss on currency translation.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Pounds Sterling at exchange rates at the reporting date. The income and expenses of foreign operations are translated at Pounds Sterling at the average exchange rates during the year, if such does not significantly deviate from the exchange rates at the date the transaction is entered into.

Foreign currency differences are recognized in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant portion of the translations difference is allocated to non-controlling interest. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such item are considered to form part of a net investment in the foreign operation and are recognized in other comprehensive income, and presented in the translation reserve in equity.

FINANCIAL INSTRUMENTS

Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

In general, the Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate financial asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables, and available-for-sale financial assets.

At balance sheet date, except for investments accounted for at fair value through profit or loss, all non-derivative financial assets of the Group have been classified as loans and receivables.

Investments at fair value through profit or loss

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

The Company meets the definition of IAS 31 (1) and IAS 28 (1) of a venture capital organization or a similar entity and upon initial recognition has designated its investments in joint ventures and associates at fair value through profit or loss. The Group manages the performance of each of the joint ventures and associates on a fair value basis in accordance with the Group's investment strategy. The information about the associates and joint ventures is provided internally on a fair value basis to the Group's Management Board and Supervisory Board. The Group therefore measures its investment in associates and joint ventures at fair value in accordance with IAS 39 with changes in fair value recognized in profit or loss in the period of change. The fair value estimation of investments in joint venture and associates is described in Note 19.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Non-derivative financial liabilities

The Group classifies non-derivative financial liabilities into the other financial liability category. Such financial liabilities are recognised initially at fair value less any direct attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

The Group derecognises a financial liability (or part of a financial liability) from the statement of financial position when, and only when, it is extinguished or when the obligation specified in the contract or agreement is discharged or cancelled or expired. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is considered in profit or loss.

Derivative financial instruments, including hedge accounting

The Group may hold derivative financial instruments to hedge its foreign currency, interest rate and other risk exposures.

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognized immediately in profit or loss.

IMPAIRMENT

Service concession agreements

If the currently planned unitary payments under the service concession agreements anticipated are not sufficient to meet the planned construction payment components of each unitary payment to be received, then the financial asset recognized from such service concession agreement is impaired and the impairment loss is recognised by the Group in profit or loss.

Non derivative financial assets

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset or group of financial assets is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets(s), and that loss event(s) had an impact on the estimated future cash flows of the asset(s) that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

PROVISIONS

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to a liability. The unwinding of the discount is recognized as finance cost.

INTANGIBLE ASSETS AND GOODWILL

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition, please see recognition policy on business combination.

Goodwill is measured at cost less accumulated impairment losses.

Other intangible assets, if any, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and term deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of change in their fair value, and are used by the Group in the management of its short-term commitments.

SHARE CAPITAL

Ordinary shares are classified as equity. Given that the Company has no contractual obligation to deliver cash or any other financial asset or to exchange financial assets or liabilities with another entity under conditions that are unfavourable, the Company classifies the issued shares to be equity rather than liability. Moreover, no shareholder has the right to request the redemption of issued shares.

Costs directly attributable to the issue of ordinary shares, or which are associated with the establishment of the Company, that would otherwise have been avoided are recognised as a deduction from equity, net of any tax effects.

SERVICE CONCESSION AGREEMENTS

Service Concession Agreements (SCA) which fall within the scope of IFRIC 12 'Service Concession Arrangements' conform to the following policies depending on the rights to consideration under the particular concession agreement:

Financial assets

Service concessions give rise to financial assets where the Group acts as an operator, to the extent that there is an unconditional contractual right to receive specified or determinable amounts of cash (or other financial assets) from the Grantor. The financial assets related to the SCA are treated as loans and receivables and are initially recognized at fair value. The financial assets are subsequently measured at amortized cost using the effective interest method. The fair value of the financial assets at the date of initial recognition includes the present value of all the net receipts related to construction services.

Intangible assets

Service concessions give rise to intangible assets to the extent that the Group, as operator, has a contractual right to charge users of the public services provided by the infrastructure. An intangible asset represents the construction cost of assets which give rise to the contractual right to charge and is amortised to estimated residual value over the remaining life of the service concession and tested each year for impairment.

Where part of the concession is accounted for as a financial asset and part an intangible asset, the fair value of consideration receivable under the arrangement is allocated between the financial asset and the intangible. The fair value of consideration related to availability or minimum take-or-pay payments is allocated to the financial asset and the difference between the total consideration and the amount allocated to the financial asset is allocated to the intangible asset.

Revenue

Revenue is recognised by allocating a proportion of total unitary payments to construction services income and operation services income.

Construction revenue is recognised at cost, plus attributable profit to the extent that this is reasonably certain, less any losses incurred or foreseen in bringing construction to completion in accordance with IAS 11 ' Construction Contracts', while Operation revenue is recognised using the percentage of completion method.

FINANCE INCOME AND FINANCE COSTS

Interest income and expenses are recognised in profit or loss using the effective interest method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, where appropriate, a shorter period) to the carrying amount of the financial instrument. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. Interest received or receivable and interest paid or payable are recognised in profit or loss as finance income and finance costs, respectively.

OPERATING EXPENSES

All operating expenses are recognised in profit and loss on an accrual basis.

TAX

According to the Luxembourg regulations regarding SICAV companies, the Company itself is exempt from paying income and/or capital gains taxes in Luxembourg. It is, however, liable to annual subscription tax of 0.05% of its net asset value computed under investment basis , payable quarterly and assessed on the last day of each quarter.

Income tax on the subsidiaries' profits for the period comprises current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

SEGMENT REPORTING

Segment results that are reported to the Management Board include items directly attributable to segments as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily at SICAV and management company level), cash and cash equivalents among other items.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The IASB and IFRIC have issued a number of standards and interpretations with an effective date after the beginning of the period of these consolidated financial statements. Management has set out below only those which may have an impact on the financial statements in future periods.

Amendments to IAS 1 (effective 1 July 2012): This amendment changes the disclosure of items presented in other comprehensive income (OCI) in the statement of comprehensive income and requires entities to separate items presented in OCI into two groups, based on whether or not they may be recycled to profit or loss in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately.

IFRS 9, Financial instruments (effective 1 January 2015):* This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

IFRS 10 (effective 1 January 2013): IFRS 10 Consolidated Financial Statements builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

Investment Entities (Amendment to IFRS 10, IFRS 12 and IAS 27):* A qualifying investment entity is required to account for investments in controlled entities – as well as investments in associates and joint ventures – at fair value through profit or loss; the only exception would be subsidiaries that are considered an extension of the investment entity's investing activities. The consolidation exception is mandatory – not optional. The Company is currently assessing if it will qualify as an investment entity.

IFRS 11 (effective 1 January 2013): This standard provides guidance for the accounting of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. IFRS 11 classifies joint arrangements into two types – joint operations and joint ventures:

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. IFRS 11 requires a joint operator to recognize and measure the assets and liabilities (and recognize the related revenues and expenses) in relation to its interest in the arrangement applicable to the particular assets, liabilities, revenues and expenses. A joint venturer is required to recognize an investment and to account for that investment using the equity method.

IFRS 12 (effective 1 January 2013): This standard is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and off balance sheet vehicles. The standard requires an entity to disclose information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. IAS 27 (amended 2011) now only contains requirements relating to separate financial statements as a result of the issuance of the new standard IFRS 10. According to the amendment of IAS 28 an entity shall account for an investment, or a portion of an investment, in an associate or a joint venture as held for sale if it meets the relevant criteria. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale shall be accounted for using the equity method or any other acceptable valuation method until disposal of the portion that is classified as held for sale takes place.

IFRS 10, 11, 12 and the consequential amendments to IAS 27 and IAS 28 are effective for annual periods beginning on or after 1 January 2013. These new or amended standards may be adopted early, but must be adopted as a package, that is, all as of the same date, except that an entity may adopt early the disclosure provisions for IFRS 12 (without adopting the other new standards). The standards are to be applied on a retrospective basis.

IFRS 13 (effective 1 January 2013): This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.

Amendments to IAS 27 (effective 1 January 2013): IAS 27 Consolidated and separate financial statements.

- Partial acquisitions: proportionate interest or fair value.
- Step acquisitions: change in goodwill calculation.

Goodwill is measured as the difference at acquisition date between the fair value of any investment in the business held before the acquisition, the consideration transferred and the net assets acquired. Acquisition-related costs: costs related to acquisition of a business are generally recognised as expenses (rather than included in goodwill). Contingent consideration: contingent consideration is recognised and measured at fair value at the acquisition date. Transactions with non-controlling interests: changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions.

IAS 32 (effective 1 January 2014): Financial Instruments: Presentation – This standard clarifies the requirements for offsetting financial assets and financial liabilities.

The Company is currently assessing the impact of the adoption of the above new or amended standards on the Company's Consolidated Financial Statements and will determine an adoption date.

*Not yet endorsed by the EU as of 31 December 2012.

4. ACQUISITION OF SUBSIDIARIES AND INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

On 20 October 2011 the Company established BBGI Management HoldCo S.à r. l. (MHC) as an operational vehicle for the Company. The Company holds 100% of the shares and voting interest in MHC.

The Company's investments in PFI/PPP infrastructure assets, or similar assets, were, and will be, made through MHC.

Cash of £12,000 was transferred as consideration for the share capital necessary to establish MHC and in return the Company acquired 120 ordinary shares in MHC. The fair value of the ordinary shares issued was based on the issue price of £100 per share. As MHC was a newly established company during 2011 with no previous operations, no assets were acquired or liabilities assumed during 2011. During the year, MHC increased its share capital to £2,000,000 which was divided into 20,000 ordinary shares. All the issued ordinary shares of MHC are owned by the Company.

BBGI Holding Limited acquisition

On 6 February 2012, the Group, through MHC, acquired 100% of the shares and voting interest in BBGI Holding Limited (UK HoldCo), a UK domiciled company. Cash of £4,370,878 was transferred as consideration for the acquisition of the share capital and, in return, MHC acquired 4,540,374 ordinary shares in UK HoldCo. Prior to MHC's acquisition of UK HoldCo, UK HoldCo had already acquired 50% of the equity interest in Trans-Park Highway Holding Inc. ("Kicking Horse Canyon Project") - see Note 11 and Note 24. Further details related to the acquisition are as follows:

In thousands of Pounds Sterling	
A) Consideration paid	
Cash	**4,371**
B) Identifiable assets acquired and liabilities acquired	
Investment at fair value through profit or loss	**4,540**
Loans and other receivables	**152**
	4,692
C) Negative goodwill	
Total consideration transferred	**4,371**
Less: Fair value of net identifiable assets	**4,692**
	(321)

UK Holdco (including its investment in Kicking Horse Canyon Project) contributed a loss of £120,000 to the Group's results of operations from acquisition date to 31 December 2012. As UK Holdco had no significant revenue, nor profit and loss items before its acquisition, there are no significant differences in the profit and loss contribution from UK Holdco had it been acquired at 1 January 2012. UK Holdco (excluding the acquired subsidiaries from the date of acquisition) has made no revenue contribution to the Group.

Golden Ears Bridge Project acquisition

On 7 February 2012, the Group, through UK Holdco, acquired a 50% ownership interest in Golden Crossing Holdings Inc. and its subsidiaries (Golden Ears Bridge Project) for a total acquisition price of £26,381,930 (see Note 11 and Note 24). The consideration paid represents acquisition of loans receivable from Golden Ears Bridge Project of £10,810,300, interest receivable, and equity participation on Golden Ears Bridge Project of £14,672,901.

Royal Women's Hospital Project acquisition

On 20 February 2012, the Group acquired 100% of the equity interest in RW Health Partnership Holdings Pty Ltd. and its subsidiaries ("Royal Women's Hospital Project"). Cash of £19,568,852 was transferred as consideration for the purchase of equity and in return the Group acquired 17,785,406 ordinary shares of AUD 1 each (see Note 11 and 24). Further details related to the acquisition are as follows:

In thousands of Pounds Sterling	
A) Consideration paid	
Cash	19,569
B) Identifiable assets acquired and liabilities acquired	
Receivables from concession projects	213,026
Deferred tax assets	11,874
Other non-current assets	6,551
Other current assets	177
Cash and cash equivalents	18,378
	250,006
Loans and borrowings	199,597
Derivative financial liabilities	2,465
Deferred tax liabilities	19,914
Other miscellaneous liabilities	1,614
	223,590
Net assets acquired	26,416
C) Negative goodwill	
Total consideration transferred	19,569
Less:	
Fair value of net identifiable assets	26,416
Intercompany balances acquired	39
	(6,886)

The contractual amount of receivables from service concession agreements at the date of acquisition amounted to AUD 599,485,000.

Royal Women's Hospital Project contributed £10,065,000 to the Group's revenue and £2,811,000 to the Group's profit from acquisition to 31 December 2012. Had the subsidiary been owned from 1 January 2012, the contribution to the revenue and profit for the year would have been £11,643,000 and £3,214,000 respectively.

Victoria Prisons Project acquisition

On 1 March 2012, the Group acquired 100% of the equity interest in Victoria Correctional Infrastructure Partnership Pty Ltd. (Victoria Prisons Project). Cash of £35,887,269 was transferred as consideration for the purchase of equity and in return the Group acquired 27,450,000 ordinary shares of AUD 1 each (see Note 11 and 24). Further details related to the acquisition are as follows:

In thousands of Pounds Sterling	
A) Consideration paid	
Cash	35,887
B) Identifiable assets acquired and liabilities acquired	
Receivables from concession projects	180,422
Deferred tax assets	13,058
Trade and other receivables	1,750
Other current assets	17
Cash and cash equivalents	16,328
	211,575
Loans and borrowings	136,239
Derivative financial liabilities	15,958
Deferred tax liabilities	20,014
Other miscellaneous liabilities	5,751
	177,962
	33,613
C) Goodwill	
Total consideration transferred	35,887
Less:	
Fair value of net identifiable assets	33,613
Intercompany balances acquired	35
	2,239

The contractual amount of receivables from service concession agreements and trade and other receivables at the date of acquisition amounted to AUD 544,300,000 and AUD 2,582,000 respectively.

Victoria Prisons Project contributed £6,631,000 of the Group's revenue and £3,044,000 of the Group's profit from acquisition date to 31 December 2012. Had the subsidiary been owned from 1 January 2012, the contribution to the revenue and profit for the year would have been £7,774,000 and £3,683,000 respectively.

BBGI acquisition

On 28 March 2012, the Group through BBGI Management Holdco S.à r.l, acquired 100% of the shares and voting interest in BBGI (GP), a Luxembourg domiciled company. Cash of £12,806 was transferred as consideration.

BBGI Investments S.C.A. acquisition

On 28 March 2012, the Group, through MHC, acquired 100% of the shares and voting interest in BBGI Investments S.C.A. (Lux HoldCo), a Luxembourg domiciled company. Cash of £81,504,000 was transferred as consideration for the acquisition and in return the Group acquired 100% ordinary shares in Lux HoldCo and the outstanding intercompany receivables amounting to £46,263,000. Prior to the Group's acquisition of Lux HoldCo, the Lux HoldCo already held the following interests in several projects at the date of acquisition which are considered as subsidiaries (see Note 24) as follows:

Project Name	Entities acquired indirectly	Effective percentage of ownership
Bedford Schools (UK)	Bedford Education Partnership Holdings Ltd.	100%
	Bedford Education Partnership Ltd.	100%
Clackmannanshire Schools (UK)	Clackmannanshire Schools Education Partnership Holdings Ltd.	100%
	Clackmannanshire Schools Education Partnership Ltd.	100%
Scottish Borders Schools (UK)*	Scottish Borders Education Partnership Holdings Ltd.	75%
	Scottish Borders Education Partnership Ltd.	75%
Coventry Schools (UK)	Coventry Education Partnership Holdings Ltd.	100%
	Coventry Education Partnership Ltd.	100%
Burg Prison (GER)	PJB Beteiligungs-GmbH	90%
	PJB Management-GmbH	90%
	PJB GmbH & Co.KG	90%
Staffordshire Fire Stations (UK)	Fire Support (SSFR) Holdings Ltd.	85%
	Fire Support (SSFR) Ltd.	85%

*A further 25% of the abovementioned project was acquired during the year, which brings the percentage of ownership of the Group to 100%.

Also, at the time of acquisition, the Lux Holdco held investments in several projects which are accounted for as associates and joint ventures as follows (see Note 11 and Note 24):

Project Name	**Entities acquired indirectly**	**Effective percentage ownership**
East Down College (UK)*	East Down Education Partnership (Holdings) Ltd. and its subsidiary	50%
Lisburn College (UK)*	Lisburn Education Partnership (Holdings) Ltd. and its subsidiary	50%
Kent Schools (UK)	Kent Education Partnership Holdings Ltd. and its subsidiary	50%
Northwest Anthony Henday Drive (CAN)	NorthwestConnect Holdings Inc.	50%
Barnet & Haringey Clinics (UK) LIFT	GB Consortium 1 Ltd. and its subsidiaries	26.7%
Liverpool & Sefton Clinics (UK) LIFT	GB Consortium 1 Ltd. and its subsidiaries	26.7%
Gloucester Hospital (UK)	Healthcare Providers (Glouchester) Ltd. and its subsidiary	50%

*The Group acquired additional share ownership in these projects during the year which enabled the Group to have control of these entities, thus they are treated as subsidiaries as of 31 December 2012 (see step up acquisition disclosures below).

The fair value of identifiable net assets, and other information related to the Lux Holdco are as follows:

In thousands of Pounds Sterling	
A) Consideration paid	
Cash	81,504
B) Identifiable assets acquired and liabilities acquired	
Receivables from concession projects	281,413
Investments at fair value through profit or loss	18,987
Deferred tax assets	10,189
Receivables from affiliated companies	30,965
Other non-current assets	58
Trade and other receivables	3,613
Cash and cash equivalents	16,908
	362,133
Loans and borrowings	234,322
Payables to affiliated companies	52,746
Derivative financial liabilities	33,646
Deferred tax liabilities	10,119
Other miscellaneous liabilities	9,393
Minority interest	3,413
	343,639
Net assets acquired	18,494
C) Goodwill	
Total consideration transferred	81,504
Less:	
Fair value of net identifiable assets	18,494
Intercompany balances acquired	46,263
	16,747

The contractual amount of receivables from service concession agreements and trade and other receivables at the date of acquisition amounted to £515,591,000 and £3,613,000 respectively.

After the date of acquisition, MHC, through the Lux Holdco, acquired an additional loan receivable from Staffordshire Fire Stations Project amounting to £4,761,686 for a cash consideration of the same amount.

During July 2012 the Lux Holdco signed a contract for the acquisition of the remaining 25% equity interest in Scottish Borders Schools PFI/PPP Project from Graham Investment Projects Limited, including the acquisition of intercompany receivables amounting to £2,022,000 and acquisition of equity stake valued at £918,134, for an aggregate cash consideration of £2,940,134. This acquisition was completed on 25 July 2012 and brings the Group's stake in the Scottish Borders Schools Project to 100%.

The Lux Holdco including its subsidiaries (after the step-up acquisitions) contributed £17,624,000 to the Group's revenue and £8,384,000 to the Group's profit from acquisition to 31 December 2012 (the contribution to net profit from the Lux Holdco comes mainly from fair value changes on investments accounted for at fair value through profit or loss amounting to £7,528,000 – from the date of acquisition to 31 December 2012). Had the subsidiary been owned from 1 January 2012, the contribution to the revenue and profit for the year would have been £26,328,000 and £9,094,000 respectively.

Step–up acquisition – East Down College Project

On 25 July 2012, the Group acquired a further 16.66% of the equity interest in East Down College Project. Cash of £856,204 (including £66,000 of management fees detailed below) was transferred as consideration for the purchase and, in return, the Group acquired 1,667 ordinary shares of £1 each (see Note 20 and Note 24) and certain outstanding intercompany receivables amounting to £571,000 (the Group already held intercompany receivables amounting to £1,680,000 at the date of acquisition). Prior to the acquisition, the fair value of the 50% equity investments held amounted to £2,267,000. Further details related to the acquisition are as follows:

In thousands of Pounds Sterling	
A) Consideration paid	
Fair value of previous interest held (50%)	2,267
Cash	790
Receivables from concession projects	36,222
Deferred tax assets	1,654
Trade and other receivables	-
Other current assets	26
Cash and cash equivalents	3,184
	41,086
Loans and borrowings	24,123
Derivative financial liabilities	6,764
Deferred tax liabilities	2,414
Other miscellaneous liabilities	4,608
Minority interest	1,059
	38,966
	2,120

C) Negative goodwill	
Total consideration transferred	3,057
Less:	
Fair value of net identifiable assets	2,120
Intercompany balances acquired	2,251
	(1,314)

The contractual amount of receivables from service concession agreements at the date of acquisition amounted to £68,189,000. The amount of revenue and profit contribution from the date of acquisition up to 31 December 2012 and the corresponding amounts assuming that the project was acquired as of 1 January 2012 was already included in the amounts disclosed for the acquisition of the Lux Holdco.

Certain management fees amounting to £ 66,000 were included in the final purchase price as these management fees had not been paid to the seller on or before the sale completion date.

Step–up acquisition – Lisburn College Project

On 09 August 2012, the Group acquired a further 50% of the equity interest in the Lisburn Schools Project, which brings the total ownership percentage held by the Group to 100%. Cash of £1,867,582 (including £100,000 of management fees detailed below) was transferred as consideration for the purchase and in return the Group acquired 5,000 additional ordinary shares of £1 each (see Note 20 and Note 24) and certain outstanding intercompany receivables amounting to £1,278,000 (the Group already held intercompany receivables amounting to £1,352,000 at the date of acquisition). Prior to the acquisition, the fair value of the 50% equity investments held amounted to £1,809,000. Further details related to the acquisition are as follows:

In thousands of Pounds Sterling

A) Consideration paid	
Fair value of previous interest held (50%)	1,809
Cash	1,768
B) Identifiable assets acquired and liabilities acquired	
Receivables from concession projects	26,175
Deferred tax assets	1,005
Trade and other receivables	-
Other current assets	21
Cash and cash equivalents	2,049
	29,250

Loans and borrowings	16,656
Derivative financial liabilities	4,934
Deferred tax liabilities	1,852
Other miscellaneous liabilities	3,225
	26,667
	2,583

C) Negative goodwill

Total consideration transferred	3,577
Less:	
Fair value of net identifiable assets	2,583
Intercompany balances acquired	2,630
	(1,636)

The contractual amount of receivables from service concession agreements at the date of acquisition amounted to £49,892,000. The amount of revenue and profit contribution from the date of acquisition up to 31 December 2012 and the corresponding amounts - assuming that the project was acquired as of 1 January 2012 - have already been included in the amounts disclosed for the acquisition of the Lux Holdco.

Certain management fees amounting to £100,000 were included in the final purchase price as these management fees had not been paid to the seller on or before the sale completion date.

Unna Project acquisition

On 26 September 2012, the Group, through the Lux Holdco, acquired 49% of the equity interest in Kreishaus Unna Holding GmbH, which already owned 90% in Projekt- und Betriebsgesellschaft Kreishaus Unna GmbH (both entities referred to as "Unna Project"). Cash of £3,048,683 and EUR 12,250 was transferred as consideration for the purchase and, in return, the Group acquired 1 share in Kreishaus Unna Holding GmbH ("Share No.2", which represents 49% ownership in Kreishaus Unna Holding GmbH but entitles the Group to 100% of all the profits from the Unna Project), and certain outstanding intercompany receivables amounting to £1,249,000. Considering that the Group does not control the entity, the investment made for the Unna Project is considered as an investment at fair value through profit or loss (see Note 11 and Note 24).

BDH LIFT Project acquisition

On 16 November 2012, the Group acquired 100% of the equity interest in Primaria (Barking & Havering) Limited (Primaria). Cash of £5,540,000 was transferred upfront and an additional £285,000 remains payable. As a result the Group acquired 600 ordinary shares of Primaria of £1 each and certain outstanding intercompany receivables amounting to £2,034,000 (see Note 20 and Note 24). At the date of acquisition, Primaria already held a 60% interest in Barking Dagenham Havering Community Ventures Limited (BDH LIFT) and its subsidiaries.

The fair value of identifiable net assets, and other information related to the BDH LIFT are as follows:

In thousands of Pounds Sterling	
A) Consideration paid	
Cash	5,540
Amount outstanding	285
B) Identifiable assets acquired and liabilities acquired	
Receivables from concession projects	71,073
Deferred tax assets	1,197
Trade and other receivables	39
Other current assets	1
Cash and cash equivalents	4,697
	77,077
Loans and borrowings	61,656
Deferred tax liabilities	4,981
Other miscellaneous liabilities	2,302
Minority interest	3,227
	72,166
	4,841
C) Negative goodwill	
Total consideration	5,825
Less:	
Fair value of net identifiable assets	4,841
Intercompany balances acquired	2,034
	(1,050)

The contractual amount of receivables from service concession agreements at the date of acquisition amounted to £155,339,000. The amount of revenue and profit contribution from the date of acquisition up to 31 December 2012 and the corresponding amounts - assuming that the project was acquired as of 1 January 2012 – have already been included in the amounts disclosed for the acquisition of the Lux Holdco.

M80 Project acquisition

During December 2012, the Group, through the UK Holdco, acquired 100% of the shares and voting interest in Highway Management M80 TopCo Limited (M80 Topco), a UK domiciled company. At the same time the Group through the Lux Holdco acquired certain intercompany receivables amounting to £26,661,392. Cash of £30,266,596 was transferred as consideration for the acquisition. M80 Topco holds 50.1% of the equity interest in Highway Management M80 Investment Limited but does not exercise control (see Note 11 and Note 24). Control is not exercised considering that significant decisions in respect of the operations of the project should be decided jointly by the shareholders. Also, the shareholders have equal representation in the management of the project.

Further details related to the acquisition are as follows:

In thousands of Pounds Sterling	
A) Consideration paid	
Cash	30,267
B) Identifiable assets acquired and liabilities acquired	
Investment at fair value through profit or loss	3,605
Cash at bank	1
Tax assets/(liabilities)	(96)
	3,510
C) Goodwill	
Total consideration transferred	30,267
Less:	
Fair value of net identifiable assets	3,510
Intercompany balances acquired	26,662
Goodwill	95

Negative goodwill

The negative goodwill from all the acquisitions above, which resulted in a gain recognized in the consolidated financial statements, is mainly due to, (a) the individual assets and liabilities that are considered in negotiating the purchase price of the entity, but do not warrant recognition under IFRS, and (b), the individual assets and liabilities that are recognized under IFRS but will not be considered in negotiating the purchase price.

5. 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 four (4) reportable segments based on the geographical 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) Europe (including UK), (2) Australia, (3) Canada, and (4) Holding activities. These reportable segments are the basis on which the Group reports information to its Management Board.

Segment information for the year ended 31 December 2012 is presented below:

In thousands of Pounds Sterling	**Europe**	**Australia**	**Canada**	**Holding Activities**	**Total Group**
Revenue from external					
Customers	16,969	16,739	-	-	33,708
Cost of services	(15,730)	(13,170)	-	-	(28,900)
Gross profit	1,239	3,569	-	-	4,808
Finance income	13,296	19,513	2,273	406	35,488
Finance cost	(11,365)	(17,963)	-	(414)	(29,742)
Net interest revenue	1,931	1,550	2,273	(8)	5,746
Other expenses (net)	-	-	-	(4,008)	(4,008)
Fair value changes on					
investments at fair value					
through profit or loss	8,192	-	2,169	-	10,361
Other income	4,168	6,297	-	-	10,465
Tax expense	(674)	(1,760)	(2,200)	(631)	(5,265)
	11,686	4,537	(31)	(4,639)	11,553
Reportable segment profit	14,856	9,656	2,242	(4,647)	22,107
Assets					
Non-current	468,587	382,092	51,315	157	902,151
Current	64,380	52,241	2,427	14,774	133,822
Total	532,967	434,333	53,742	14,931	1,035,973
Liabilities					
Non-current	396,637	381,723	-	(531)	777,829
Current	20,553	12,649	-	13,391	46,593
Total	417,190	394,372	-	12,860	824,422

The Holding activities of the Group include the activities of the Group which are not specifically related to a certain project. The total current assets classified under Holding Activities mainly represent cash and cash equivalents. There is only one reportable segment (Holding Activities) for the year ended 31 December 2011.

Transactions between reportable segments are conducted at arm's length and are accounted in a similar way to the basis of accounting used for third parties. The accounting method used for the amounts presented for the segments are similar and comparable with that of the Company and the other segments.

Information about major customers

Currently, the Group's clients are government, government owned and controlled corporations, and agencies. Such clients represent approximately 100% of the Group's revenues. More than 10% of the revenues of the Group are derived from the grantors of the Victoria Prisons Project, Royal Women's Hospital Project, Burg Project and Scottish Border Schools Project.

6. REVENUE

In thousands of Pounds Sterling	**Year ended 31 December 2012**
Continuing operations	
Revenue from service concession agreements	31,231
Other revenues	2,477
	33,708

Revenue from concession agreements represents income earned on operational projects. The subsidiaries of the Company currently do not have any projects under construction. The investments accounted at fair value through profit or loss have very minimal projects still under construction (see Note 24 and refer to investment portfolio breakdown in the Management report).

The Group had no revenue for the period ended 31 December 2011.

7. ADMINISTRATION EXPENSES

In thousands of Pounds Sterling	**Year ended 31 December 2012**
Personnel expenses	1,469
Legal and professional fees	1,823
	3,292

The Group has engaged the services of certain entities to provide, legal, custodian, audit, tax and other services to the Group. The expenses incurred in relation to such services are treated as administration expenses.
The audit fee expense during the year, included in the legal and professional fees, amounted to £181,000.
The Group's administration expense for 31 December 2011 amounted to £230,000 consisting mainly of legal and professional fees.

8. FINANCE INCOME

In thousands of Pounds Sterling	**Year ended 31 December 2012**
Finance income from service concession agreements	31,610
Finance income from loans to investments accounted at fair value through profit or loss	3,000
Other interest income	878
	35,488

The Group finance income for 31 December 2011 amounted to £42,000 consisting mainly of interest income from bank deposits.

9. FINANCE COST

In thousands of Pounds Sterling	**Year ended 31 December 2012**
Finance cost from loans and borrowing (Note 18)	29,570
Fair value loss from derivative financial instruments	172
	29,742

The Group had no finance cost for 31 December 2011.

10. INTANGIBLE ASSETS AND GOODWILL

The goodwill recognized during the year represents the net excess of the acquisition cost paid over the identifiable net assets acquired (see Note 4). The excess is brought about by amounts which were considered during the purchase of the subsidiaries but cannot be specifically allocated to each of the individual assets based on the recognition requirements under IFRS.

In thousands of Pounds Sterling	**31 December 2012**
Balance at beginning of the year	-
Intangible assets of acquired subsidiaries (see Note 4)	19,081
Changes due to foreign exchange translations	52
Balance at end of year	19,133

Amortisation	
Balance at beginning of the year	-
Amortisation for the year	-
Changes due to foreign exchange translations	-
Balance at end of year	-
Carrying amount	19,133

The goodwill recognized is allocated to the individual cash generating unit of the Group. The recoverable amount of the individual cash generating unit of the Group is determined using the "value in use" approach. The value in use of individual cash generating unit is determined using expected future cash flows discounted at market related discount rate.

For the purpose of impairment testing, goodwill is allocated to the Group's geographical segments and further broken down into each project (SPC). Each project is considered as a cash generating unit (CGU) for the Group. The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

In thousands of Pounds Sterling	**Europe**	**Australia**	**Total Group**
Victoria Prisons (Australia)	-	2,291	2,291
Burg Prison (Germany)	2,973	-	2,973
Bedford Schools (UK)	2,136	-	2,136
Coventry Schools (UK)	1,523	-	1,523
Staffordshire Fire Stations (UK)	2,516	-	2,516
Scottish Border Schools (UK)	3,497	-	3,497
Clackmannanshire Schools (UK)	4,102	-	4,102
M80 (UK)	95	-	95
	16,842	2,291	19,133

The key assumptions in the calculation of the fair value of the projects are discount rates. The discount rates used for the individual assets range between 8.05% and 9.0% which, on a weighted average basis, is approximately 8.51%. The discount rate used for individual project entities is based on the Management Board's knowledge of the market, discussions with advisors and publicly available information on relevant transactions.

Also, the Group uses the following macroeconomic assumptions for the cash flows:

	31 December 13	31 December 14	Long term*
UK			
Indexation (%)	2.75	2.75	2.75
Deposit Interest Rate (%)	1	2	3
SPC Corporate Tax (%)	23	23	23
Australia			
Indexation (%)	2.5	2.5	2.5
Deposit Interest Rate (%)	4.00/5.00	4.00/5.00	4.00/5.00
SPC Corporate Tax (%)	30	30	30
GBP/AUD as at 31 Dec 2012	1.558	1.558	1.558
Germany			
Indexation (%)	2	2	2
Deposit Interest Rate (%)	1	2	3
SPC Corporate Tax (%)	15.8	15.8	15.8
GBP/EUR as at 31 Dec 2012	1.223	1.223	1.223

The projected cash flows are based on the concessions periods of the projects (see Note 24).

Following the tests of impairment as performed by the Group, there are two projects (Scottish Border Project and Coventry Schools Project) to which the recoverable value is very near the current net asset value (including goodwill). A change in the discount rates used for the valuation of such projects could result in the recognition of impairment in the goodwill. The following table shows the impact of 1% increase in the discount rates used for such projects on the recoverable amount, and thus may lead to impairment of goodwill.

	100 bps 31 December 2012
Effects in thousands of Pounds Sterling	
Decrease in recoverable amount	1,337

The Group has no other intangible assets.

The negative goodwill totalling £10,465,000 after the effect of foreign exchange movements from the date of acquisition was recognized as income in the consolidated income statement.

11. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group's investments at fair value through profit or loss as of 31 December 2012 are listed below:

Associates	Project name	Country of Incorporation	Effective Ownership interest	Date acquired
Golden Crossing Holdings Inc. (and its subsidiaries)	Golden Ears Bridge	Canada	50.00%	7 Feb 2012
Trans-park Highway Holding Inc. (and its subsidiaries)	Kicking Horse Canyon	Canada	50.00%	6 Feb 2012
Kent Education Partnership Holdings Ltd. (and its subsidiary)	Kent Schools	UK	50.00%	28 Mar 2012
NorthwestConnect Holdings Inc.(and its subsidiaries)	Northwest Anthony Henday Drive	Canada	50.00%	28 Mar 2012
GB Consortium 1 Ltd. (and its subsidiaries)	Barnet and Haringey Clinics and Liverpool & Sefton Clinics (LIFT)	UK	26.70% (both)	28 Mar 2012
Healthcare Providers (Glouchester) Ltd. (and its subsidiary)	Gloucester Hospital	UK	50.00%	28 Mar 2012
Kreishaus Unna Holding GmbH (and its subsidiary)	Unna Administrative Center	Germany	44.10%	26 Sep 2012
Highway Management M80 Investment Limited (and its subsidiaries)	M80	UK	50.10%	17 Dec 2012 and 27 Dec 2012

The movements of investments at fair value through profit or loss are as follows:

In thousands of Pounds Sterling	**31 December 2012**
Balance at 1 January	-
Investments at fair value through profit or loss from acquisitions of subsidiaries and direct acquisitions	45,048
Fair value movements	10,361
Distributions received	(4,457)
Reduction due to step-up acquisition	(1,337)
	49,615

During the year, the Group acquired further equity interests on investments at fair value through profit or loss, which resulted in the Group attaining control over the investments (see Note 4). Thus, such investments were included in the consolidated financial statements as subsidiaries.

12. RECEIVABLES FROM SERVICE CONCESSION AGREEMENTS

In thousands of Pounds Sterling	**31 December 2012**
Receivables within one year	61,047
Receivables after more than one year	720,235
	781,282

Receivables from concession projects represent all services provided in connection with the construction of PFI/PPP projects for which fixed payments have been agreed, irrespective of the extent of use. The receivables are measured at amortized cost using the effective interest rate method. The annual accumulation of interest on these discounted amounts is presented as finance income (see Note 8).

13. CASH AND CASH EQUIVALENTS

In thousands of Pounds Sterling	**31 December 2012**	**31 December 2011**
Bank balances	62,103	52,459
Term deposits	-	155,341
	62,103	207,800

The term deposits were composed of short term investments with maturity of less than 3 months.

14. TAXES

The composition of current tax expense and deferred tax expense are as follows:

In thousands of Pounds Sterling	**31 December 2012**
Current tax	
Deferred tax expense	5,241
Current tax expense	24
Total tax expense	5,265

The composition of the current tax payable and the deferred tax assets and deferred tax liabilities are as follows (before any goodwill related adjustments):

In thousands of Pounds Sterling	**31 December 2012**
Current tax	
Luxembourg corporation tax - current year	167
Overseas tax - current year	149
Total current tax liability	316
Deferred tax (see Note 4)	
Net deferred tax as of 1 January 2012	-
Deferred tax acquired from business combinations (net)	(20,317)
Origination and reversal of temporary difference	2,349
Total deferred tax liability – net	(17,968)

The remaining amount of tax liability of £1,844,000 pertains to taxes payable (value added tax etc.) other than current tax payable.

The Group had very minimal tax payable and tax expense, and had no deferred tax assets and liabilities for the period ended 31 December 2011.

A reconciliation of the tax expense and the tax at applicable tax rate are as follows:

In thousands of Pounds Sterling	**For the year ended 31 December 2012**
Profit for the year before tax	
Profit before tax	27,372
Tax using the Luxembourg domestic tax rate (28.8%)	7,883
Difference between domestic tax rate and applicable tax rate	105
Tax exempt net income*	(3,636)
Tax effects of application of overseas tax rates	913
Tax (credit)/charge for the year	5,265

The tax exempt net income pertains to all the net income derived from subsidiaries and the Company (excluding the impact of temporary differences). The Company is exempt from paying income and/or capital gains taxes in Luxembourg. It is however liable to an annual subscription tax of 0.05% of its total net assets (see Note 3).

The Group's deferred tax assets and liabilities as of 31 December 2012 are attributed to the following:

In thousands of Pounds Sterling	**Service concession receivables**	**Tax losses**	**Fair value of swaps**	**FVPL* investments**	**Others**	**Total**
Balance at beginning of the year	-	-	-	-	-	-
Deferred tax assets (liabilities) of acquired subsidiaries	(59,076)	23,760	15,529	(2,180)	1,650	(20,317)
Credit/(charge) to income	(2,251)	-	-	(3,027)	37	(5,241)
Credit/(charge) to other comprehensive income	-	-	6,037	-	-	6,037
Credit/(charge) to income as current tax benefit	-	1,005	-	-	-	1,005
Impact of foreign exchange translation	2,016	(1,024)	(440)		(4)	548
Balance at 31 December 2012	(59,311)	23,741	21,126	(5,207)	1,683	(17,968)

*Fair value through profit or loss investments

There are no unrecognized taxable temporary differences and tax losses.

The income tax recognized in the consolidated other comprehensive income is composed of the temporary difference between the tax base and the fair value of the derivative financial instruments treated as cash flow hedges.

15. CAPITAL AND RESERVES

In thousands of shares	Ordinary shares 31 December 2012	Ordinary shares 31 December 2011
On issue at beginning of the year/period	212,000	-
Shares issued for cash at the incorporation of the Company	-	29
Shares issued for cash under the placing or offer Subscription	-	211,971
Shares issued through scrip dividends	985	-
	212,985	212,000

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 meetings of the Company.

The Company was incorporated on 3 October 2011 with share capital of 29,000 ordinary shares, with no par value, at a price of £1 per share. The Board may, with approval from the Supervisory Board, at any time, as it deems appropriate, decide that the shares to be issued be of one class or of several different classes (each such class, a "Class"), the features, terms and conditions of which shall be established by the Board.

On 14 December 2011 the Company announced the results of its placing and offer for subscription of ordinary shares. The Company raised £211,971,000 (before expenses) through the issue of 211,971,000 shares at a price of £1 per share, of which 163,837,256 shares were issued by way of the placing and 48,133,744 shares were issued pursuant to the offer for subscription. Expenses incurred in the issuance of the additional ordinary shares amounted to £4,240,000 - this expense has been deducted from share capital recognised. The amount raised was £207,731,000, net of share issue expenses. The entire share capital of the Company was admitted to trading on the London Stock Exchange on 21 December 2011.

During the year the Company issued an additional 984,715 shares as a result of a scrip dividend declared (see Note 15 - Dividends).

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet affected profit or loss (see Note 19).

Other reserve

Other reserve amount pertains to the difference between the amount of cash paid to and the value of the non-controlling interest acquired in Scottish Borders Project (25% interest - see Note 4).

Dividends

The following dividends were declared and paid by the Company during the year ended 31 December 2012, and pertain to results of operations for the period ended 31 December 2011 and six-month period ended 30 June 2012:

In thousands of Pounds Sterling except as otherwise stated	**31 December 2012**
0.45 pence per qualifying ordinary share – for period ended 31 December 2011	954
2.75 pence per qualifying ordinary share – for period ended 30 June 2012	4,784
Scrip dividends – for period ended 30 June 2012	1,047
	6,785

During the year the Company declared dividends amounting to £954,000 for the period ended 31 December 2011.

Also during the year the Company declared payment of the dividend amounting to £5,830,000 for the six-month period ended 30 June 2012, with the option of electing for a scrip alternative. As a result of the above, a total of 984,715 shares were issued for a price of 106.35 pence per share. The remaining amount of £4,784,000 was paid in cash.

16. EARNINGS PER SHARE

The basic and diluted earnings per share at 31 December 2012 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	**Year ended 31 December 2012**	**3 October 2011 to 31 December 2011**
Profit /(loss) attributable to ordinary shareholders	21,896	(196)
Weighted average number of ordinary shares in issue	212,246	42,423
Basic and diluted earnings per share (in pence)	10.316	(0.462)

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.

In thousands of shares	Year ended 31 December 2012	3 October 2011 to 31 December 2011
Shares issued at the incorporation of the Company	29	29
Effects of shares issued under the placing and Offer for Subscription	211,971	42,394
Scrip dividends issued	246	-
	212,246	42,423

17. NON-CONTROLLING INTEREST

The non-controlling interest (NCI), at the date of acquisition, includes the share of the non-controlling shareholders in the subsidiaries of the Lux Holdco that are not 100% owned (see Note 20). The NCI amounts to £7,699,000 at the date of acquisition (see Note 4). The amount of NCI at date of acquisition is computed using the fair value of the assets and liabilities acquired (excluding goodwill) multiplied by the equity percentage held. The reduction in the NCI as of the date of acquisition, aside from the reduction caused by the share of the NCI on the total comprehensive income of the Group, represents the NCI pertaining to Scottish Borders Project that was fully acquired during the year (see Note 4), and foreign exchange impact totalling £2,438,000. The share of the NCI in the comprehensive income during the year amounted to a loss of £283,000.

There were no NCI as of 31 December 2011.

18. LOANS AND BORROWINGS

In thousands of Pounds Sterling	31 December 2012
Current portion	25,588
Non-current portion	625,242
Total	650,830

Details of the loans and borrowings of the Group as of 31 December 2012 are as follows:

				31 December 2012		
Face value and carrying amount in thousands	Currency	Nominal interest rate	Year of Maturity	Face Value** (Local Currency)	Carrying amount (Local Currency)	Carrying amount (£)
Nominal Bond	AUD	6.20%	2017-2021	148,000	148,000	94,986
Indexed Annuity Bond	AUD	3.33%+CPI*	2033	145,000	140,623	90,252
Term Tranche Loan	AUD	Variable	2027	214,223	194,749	124,990
Augmentation Tranche	AUD	Variable	2027	1,000	1,000	642
Term Loan	GBP	LIBOR + 0.80%	2033	21,216	17,957	17,957
Term Loan	GBP	LIBOR + 0.90%	2033	18,700	14,708	14,708
Term Loan	GBP	LIBOR + 0.80%	2038	71,160	52,700	52,700
Term Loan	GBP	LIBOR + 0.75%	2035	24,751	23,631	23,631
Term Loan	GBP	LIBOR + 2.45%	2035	19,624	18,907	18,907
Term Loan	GBP	7.15%	2035	19,624	18,907	18,907
Term Loan	GBP	LIBOR + 0.75%	2035	17,014	16,308	16,308
Bond	GBP	Index linked 2.604%	2038	68,330	76,226	76,226
Term Loan	EUR	4.12%	2033	39,891	36,300	29,690
Term Loan	EUR	4.14%	2033	2,479	2,229	1,823
Term Loan	GBP	6.61%	2030	18,095	16,817	16,817
Term Loan	GBP	6.56%	2031	22,392	20,649	20,649
Term Loan	GBP	5.97%	2033	21,258	20,766	20,766
Revolving Credit Facility	GBP	Variable	2015	35,000	11,562	10,871
						650,830

The Group had no loans and borrowings as of 31 December 2011.

*Consumer price index
** Face value refers to the initial amount of loan agreed as indicated in the loan agreements

Loan covenant

As of 31 December 2012, some of the loans are subject to certain covenants, including but not limited to, (1) Loan life cover ratio, and (2) Debt service cover ratio. There are no reported breaches on the loan covenants in relation to the above mentioned loans.

Pledges and Collaterals

In relation to the above mentioned loans, the Project entities have pledged current and future assets, including cash flows arising from the service concession receivables (Note 12), and certain bank accounts (Note 13), except for those specifically excluded and not mentioned in the pledge agreements and deeds entered into by the Project entities and the specific lenders.

The Group pledged all the current and future assets held within the holding structure (MHC, Lux Holdco, UK Holdco, GP and the Company) in relation to the revolving credit facility.

19. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from financial instruments:

- Credit risk
- Liquidity risk
- Capital risk management
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital.

RISK MANAGEMENT FRAMEWORK

The Management Board has overall responsibility for the establishment and oversight of the Group's risk management framework.

CREDIT RISK

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Group, resulting in a financial loss to the Group.

In thousands of Pounds Sterling	**31 December 2012**	**31 December 2011**
Receivables from service concession agreements	781,282	-
Trade and other receivables	68,530	-
Cash and cash equivalents	62,103	207,800
Other noncurrent assets	8,171	-
	920,086	207,800

The Group's exposure to credit risk is influenced mainly by the individual characteristics of grantors of service concession agreements. The Group's service concession agreements are predominantly granted by a variety of public sector clients including, but not limited to, central government departments, and local, provincial and state government and corporations set up by the public sector. The Group predominantly makes investments in countries where the Directors consider that project structures are reliable, where (to the extent applicable) public sector counterparties carry, what the Directors consider to be, an appropriate credit risk, or alternatively where insurance or guarantees are available for the sovereign credit risk, where financial markets are relatively mature and where a reliable judicial system exists to facilitate the enforcement of rights and obligations under the projects.

The Group establishes an allowance for impairment that represents its estimate of any potential losses in respect of receivables from service concession agreements, and trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures and a collective loss component established for groups of similar assets in respect of losses that may have been incurred but are not yet identified. The collective loss allowance is determined based on historical data of payment related to such receivables. Currently there are no recorded allowances for impairment. All the Group's receivables are collectible and no significant amounts are considered as overdue or impaired.

The maximum exposures to credit risk on receivables from service concession agreements, trade and other receivables, and other noncurrent assets that are neither overdue nor impaired, are as follows:

In thousands of Pounds Sterling	**31 December 2012**
Europe (including UK)	453,985
Australia	380,444
Canada	23,554
	857,983

The Group had no receivables from concession agreements and trade and other receivables as of 31 December 2011.

The Group has adopted a policy of only dealing with creditworthy counterparties. The concessions granted to project entities are predominantly granted by a variety of public sector clients including, but not limited to, central government departments, local, provincial and state governments and corporations set up by the public sector. Although the Directors believe such public sector clients generally represent a low counterparty risk, the possibility of a default remains and has increased in recent years, and may vary from country to country.

While all the counterparties to the seed portfolio project agreements are in the public sector, it is possible that further investments may include concessions granted by non-public sector clients. Although the creditworthiness, power and capacity of each such body to enter into the relevant project agreements will be considered on a case-by-case basis with the benefit of advice, the possibility of a default or insolvency remains.

Up to 25% of the portfolio value of the Company may, in the future, in accordance with internal approval procedures, be invested in non-public sector backed projects. This may result in materially greater credit and performance risk for the project, which may adversely affect returns.

The cash and cash equivalents are maintained with reputable banks with ratings that are acceptable based on the established internal policy of the Group. Based on the assessment of the Management Board, there are no significant credit risks related to the cash and cash equivalents maintained with banks.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's policy over liquidity risk is that it will seek to have sufficient liquidity to meet its liabilities and obligations when due.

The Group manages liquidity risk by maintaining adequate cash and cash equivalents and borrowing facilities to finance day to day operations and long term projects. The Group also regularly monitors the forecast and actual cash requirements and matches the maturity profiles of the Group's financial assets and financial liabilities. During the year, the Company has entered into a £35,000,000 credit facility with three participating banks to finance further asset acquisitions and working capital needs.

The following are the contractual maturities of the financial liabilities of the Group, including estimated interest payments:

In thousands of Pounds Sterling	**Carrying amount**	**Contractual Cash flows**	**Less than one year**	**1-2 years**	**2+ to 5 years**	**5+ years**
Non derivative financial liabilities						
Loans and borrowings	650,830	1,074,427	72,113	46,404	229,280	726,630
Trade payables	7,863	7,863	7,863	-	-	-
Other payables	10,358	17,196	7,747	494	2,042	6,913
	669,051	1,099,486	87,723	46,898	231,322	733,543

In thousands of Pounds Sterling	**Contractual cash flows**	**Less than one year**	**1-2 years**	**2-5 years**	**5+ years**
Interest rate swaps					
Outflows	(260,257)	(17,021)	(32,338)	(47,898)	(163,000)
Inflows	159,467	7,238	9,827	20,569	121,833
	(100,790)	(9,783)	(22,511)	(27,329)	(41,167)

As disclosed in Note 18, the Group has entered into various loans with banks, both at the Project Entity level and at the Group level, which contain debt covenants. The breach of any of such covenants may require accelerated loan repayments. The interest payments on variable interest rate loans and bond issues on the table above reflect forward interest rates at the year/period end. These amounts may change as market interest rate changes.

The Group had no significant exposure to liquidity risk as of 31 December 2011.

MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, and will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group buys derivative financial instruments, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within certain internal guidelines. When circumstances allow, the Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

Currency risk

The Group is exposed to currency risk on its revenue, cost of sales, borrowings and other operation-related income and expenses that are denominated in a currency other than Pounds Sterling. The currencies in which these transactions are primarily denominated are Pounds Sterling, CAD, AUD and EUR.

At any point the Group enters into forward currency contracts to fix the foreign exchange rates in respect of certain future expected distributions to be received from the individual Project entities which are not denominated in Pounds Sterling.

In respect of other monetary assets and liabilities denominated in currencies other than Pounds Sterling, the Group's policy is to ensure that its net exposure is kept at an acceptable level. The management believes that there is no significant concentration of currency risk within the Group.

The summary of the quantitative data about the Group's exposure to foreign currency risk provided to the management is as follows:

In thousands of Pound Sterling	**CAD**	**EUR**	**AUD**
Receivables from service concession agreements	-	39,636	370,576
Investments at fair value through profit or loss	30,188	1,969	-
Trade and other receivables	23,554	1,281	1,965
Cash and cash equivalents	194	3,256	21,846
Other assets	-	-	7,244
Loans and borrowings	-	(31,513)	(310,870)
Liabilities from derivative financial instruments	-	(8,027)	(32,605)
Trade payables	-	(641)	(2,501)
Other payables	-	(784)	(2,394)
	53,936	5,177	53,261

The following are the significant exchange rates applied during the reporting year:

	31 December 2012	
	Average GBP	**Spot rate GBP**
CAD 1	0.6312	0.6208
EUR 1	0.8037	0.8179
AUD 1	0.6495	0.6418

A strengthening (weakening) of the CAD, EUR and AUD against Pounds Sterling at 31 December would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on the foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular, interest rates, remain constant and ignores any impact of forecasted revenues and related costs.

	Strengthening (100 bp)		Weakening (100 bp)	
	Equity	**Profit or loss**	**Equity**	**Profit or loss**
Effects in thousands of Pounds Sterling				
31 December 2012				
CAD 1	5,394	432	(5,394)	(432)
EUR 1	1,366	136	(1,366)	(136)
AUD 1	1,768	542	(1,768)	(542)

Interest rate risk

The Group adopts a policy of ensuring that significant loans and borrowings with variable interest rates are hedged in order to properly manage the Group's exposure to changes in interest rates.

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in market interest rates at the reporting date would not affect profit or loss, except for the ineffective portion of the cash flow hedge entered into in relation to interest accruing on the loans and borrowings.

The Group enters into and designates interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

Changes in interest rates also impact the discount rate used by the Group in valuing investments at fair value through profit and loss.

A 1% increase or decrease in discount rates used in the valuation of fair value through profit and loss investments would impact equity and profit or loss (after considering deferred tax impact) as follows:

	Reduction (100 bp)*		Increase (100 bp)	
	Equity	**Profit or loss**	**Equity**	**Profit or loss**
Effects in thousands of Pounds Sterling				
31 December 2012	9,132	9,132	(7,687)	(7,687)

At the reporting date the interest rate profile of Group's interest-bearing financial instruments was as follows:

	31 December 2012
Fixed rate instruments	
Financial assets (excluding cash and cash equivalents)	3.05%-6.87%
Financial liabilities	4.12% -7.15%
Variable rate instruments	
Financial assets	Current bank interest rates
Financial liabilities	see Note 18

The Group is exposed mainly to interest rate changes in relation to variable interest rate loans. The Group has entered into interest rate swaps to hedge against the variability of cash flows (cash flow hedges) at the level of the Project entities. Sudden changes in the interest rates will impact the fair value of the hedging instruments which in turn would impact the other comprehensive income. A change of 100 basis points in interest rates related to the variable rate instruments would have increased (decreased) equity and profit or loss by amounts shown below.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	100bp decrease*		100 bp increase	
	Equity	**Profit or loss**	**Equity**	**Profit or loss**
In thousands of Pounds Sterling				
Cash flow sensitivity (net)	39,453	-	(41,555)	-

*Certain interest rates are reduced only to 0% as interest rates are not expected to go below such level. This ensures that no negative interest rates are applied on the sensitivity analysis.

Aside from the above, the Group is not significantly exposed to movements in interest rates.

The Group is not exposed to market risks as of 31 December 2011.

CAPITAL RISK MANAGEMENT

The Company's objective when managing capital (see Note 15) is to ensure the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for further stakeholders and to maintain an optimal capital structure while seeking to minimise the cost of capital. The Company, at a Group level views the share capital (see Note 15) and the Credit Facility (see Note 18) as capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares. The Company targets a minimum 5.5% dividend yield based on the issue price of the Company's ordinary shares at the time of the IPO. However, it is important to note that this is only a target and not a profit forecast. There can be no assurance that this target will be met.

The Company regularly reviews compliance with Luxembourg regulations regarding restrictions on minimum capital. During the year/period covered by these financial statements, the Company complied with all externally imposed capital requirements.

There were no changes in the Group's approach to capital management during the year.

DERIVATIVE FINANCIAL ASSETS AND LIABILITIES DESIGNATED AS CASH FLOW HEDGE

The Group has designated interest rate swaps to hedge against the variability of cash flows (cash flow hedges) at the level of the Project entities as follows:

In thousands of Pounds Sterling	**31 December 2012**
Interest rate swaps	84,804
	84,804

The effective portion of the fair value movements on abovementioned cash flow hedges during the year amounted to a loss of £16,360,000 net of corresponding deferred taxes assets recognized, amounting to £6,037,000. Such effective portion of the fair value movements on the cash flow hedges, which resulted in losses, was reflected in the statement of changes in equity as part of other comprehensive loss. The ineffective portion of the cash flow hedges recognized in the income statement as finance costs amounts to £12,000.

The remaining amount of derivative financial instruments of £160,000 pertains to the fair value of foreign currency swap which were not designated as hedges, thus the movements in their value is directly charged/credited in the consolidated income statement.

The following table indicates the periods in which the cash flows associated with cash flow hedges are expected to occur and impact comprehensive income and the fair values of the related hedging instruments:

In thousands of Pounds Sterling	Contractual cash flows	Less than one year	1-2 years	2-5 years	5+ years
Interest rate swaps					
Outflows	(260,257)	(17,021)	(32,338)	(47,898)	(163,000)
Inflows	159,467	7,238	9,827	20,569	121,833
	(100,790)	(9,783)	(22,511)	(27,329)	(41,167)

DERIVATIVE FINANCIAL ASSETS AND LIABILITIES NOT DESIGNATED AS HEDGES

In addition to the above interest rate swaps, the Group also entered into currency futures to fix the foreign exchange rates on certain distributions that are expected to be received. The Group recognized a derivative financial liability and loss on fair value adjustment on such arrangement amounting to £160,000. The losses recognized are reflected in the Group's income statement.

FAIR VALUES VERSUS CARRYING AMOUNTS

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

In thousands of Pounds Sterling	Fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount	Fair value
Assets					
Receivables from service concession agreements	-	781,282	-	781,282	781,282
Investment at fair value through profit or loss	49,615	-	-	49,615	49,615
Trade and other receivables	-	68,530	-	68,530	68,530
Cash and cash equivalents	-	62,103	-	62,103	62,103
	49,615	911,915	-	961,530	961,530
Liabilities					
Loans and borrowings	-	-	650,830	650,830	650,830
Derivative financial liabilities	84,964	-	-	84,964	84,964
Trade payables	-	-	7,863	7,863	7,863
Other payables	-	-	10,358	10,358	10,358
	84,964	-	669,051	754,015	754,015

The fair values of financial instruments traded in active markets, if there are any, are based on quoted market prices at the balance sheet date. The fair values of financial instruments that are not traded in active market are determined by using valuation techniques as indicated below.

The fair values of receivables from service concession agreements, non-current loans and borrowings, and other non-current payables and receivables, is determined by discounting the future cash flows using an appropriate discount rate at the reporting date. This fair value is determined for disclosure purposes, or when such assets are acquired in a business combination. As the loans and borrowings and receivables from service concession agreements were just recently acquired through business combination (see Note 4), the current carrying amounts represent the fair values of such as of 31 December 2012.

The fair value of interest rate swaps at the Project entity level is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a credit-adjusted risk-free interest rate.

The fair value of investments at fair value through profit or loss is determined using expected future cash flows related to the investment, and a market related discount rate.

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 rates used to discount estimated cash flows, when applicable, are based on the following rates:

	31 December 2012
Receivable from service concession agreements	3.05%-6.87%
Investment at fair value through profit or loss	8.05%-8.80%
Derivative financial instruments	Applicable market swap rates
Loans and borrowings	4.12% - 7.15%

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).

In thousands of Pounds Sterling	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment at fair value through profit or loss	-	-	49,615	49,615
Forward exchange contracts	-	84,964	-	84,964
	-	84,964	49,615	134,579

The following table shows a reconciliation from the beginning balances to the ending balances for the fair value measurements in level 3 of the fair value hierarchy:

In thousands of Pounds Sterling	**31 December 2012**
Balance at 1 January	-
Investments at fair value through profit or loss from acquisitions of subsidiaries and direct acquisitions	45,048
Fair value movements	10,361
Distributions received	(4,457)
Reduction due to step-up acquisition	(1,337)
	49,615

The fair value of investments at fair value through profit or loss is determined using future cash flows related to the specific projects discounted at the applicable discount rate for companies involved in service concession projects. A material change in the discount rates used for such valuation could have a significant impact on the reported fair values of such assets.

20. SUBSIDIARIES

During the year ended 31 December 2012, the Company had the following subsidiaries which are included in the consolidated financial statements (see also Note 4):

	Country of Incorporation	Effective Ownership interest	Date acquired
Bilfinger Berger Global Infrastructure SICAV S.A.	Luxembourg	Ultimate Parent	Not applicable
BBGI Management Holdco S.à r. l.	Luxembourg	100.00%	20 Oct 2011
BBGI Holding Limited	UK	100.00%	6 Feb 2012
RW Health Partnership Holdings Pty Ltd	Australia	100.00%	20 Feb 2012
RWH Health Partnership Pty Ltd.	Australia	100.00%	20 Feb 2012
RWH Finance Pty Ltd.	Australia	100.00%	20 Feb 2012
Victorian Correctional Infrastructure Partnership Pty Ltd	Australia	100.00%	1 Mar 2012
BBGI	Luxembourg	100.00%	28 Mar 2012
BBGI Investments S.C.A.	Luxembourg	100.00%	28 Mar 2012
Bedford Education Partnership Holdings Ltd	UK	100.00%	28 Mar 2012
Bedford Education Partnership Ltd	UK	100.00%	28 Mar 2012
Clackmannanshire Schools Education Partnership Holdings Ltd.	UK	100.00%	28 Mar 2012
Clackmannanshire Schools Education Partnership Ltd.	UK	100.00%	28 Mar 2012
Scottish Borders Education Partnership Holdings Ltd.*	UK	100.00%	* 28 Mar 2012
Scottish Borders Education Partnership Ltd.*	UK	100.00%	* 28 Mar 2012
Coventry Education Partnership Holdings Ltd.	UK	100.00%	28 Mar 2012
Coventry Education Partnership Ltd.	UK	100.00%	28 Mar 2012
PJB Beteiligungs-GmbH	Germany	100.00%	28 Mar 2012
PJB Management-GmbH	Germany	100.00%	28 Mar 2012
PJB GmbH & Co.KG	Germany	90.00%	28 Mar 2012
Fire Support (SSFR) Holdings Ltd.	UK	85.00%	28 Mar 2012
Fire Support (SSFR) Ltd.	UK	85.00%	28 Mar 2012
Lisburn Education Partnership (Holdings) Limited*	UK	100%	09 Aug 2012
Lisburn Education Partnership Limited*	UK	100%	09 Aug 2012
East Down Education Partnership (Holdings) Ltd*	UK	66.67%	25 Jul 2012
East Down Education Partnership Ltd*	UK	66.67%	25 Jul 2012
Primaria (Barking & Havering) Limited	UK	100%	16 Nov 2012
Barking Dagenham Havering Community Ventures Limited	UK	60%	16 Nov 2012
Barking & Havering LIFT (Midco) Limited	UK	60%	16 Nov 2012
Barking & Havering LIFT Company (No.1) Limited	UK	60%	16 Nov 2012
Highway Management M80 TopCo Limited	UK	100%	27 Dec 2012

*See Note 4

21. 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 £140,000 in fees for the year ended 31 December 2012, and £24,100 for year ended 31 December 2011. There are no outstanding amounts due as of 31 December 2012.

The Chairman of the Supervisory Board currently receives a fee of £45,000 per annum, and other members of the Supervisory Board each currently receive a fee of £30,000 per annum (with the exception of the Chairman of the Audit Committee and the Senior Independent Director who each receive an additional fee of £2,500 per annum). The aggregate remuneration of the members of the Supervisory Board in their capacity as such currently amounts to £140,000 per annum.

Directors' shareholding in the Company

In thousands of shares	31 December 2012	31 December 2011
David Richardson	82	45
Colin Maltby	30	30
Thomas Töpfer	41	40
Frank Schramm	77	75
Duncan Ball	77	75
Arne Speer	36	35
	343	300

Remuneration of the Management Team

Under the current remuneration programme, all employees of BBGI Management HoldCo (which include the members of the Management Board, Frank Schramm, Duncan Ball and Arne Speer) are entitled to an annual base salary payable monthly in arrears, which is reviewed annually by the Supervisory Board. In addition, certain senior executives (including Mr Schramm and Mr Ball) are also entitled to participate in a short-term incentive plan ("STIP") and a long-term incentive plan ("LTIP").

Service contracts

BBGI Management HoldCo has entered into service contracts with both Mr Schramm and Mr Ball (each such contract being a "Service Contract"). The Service Contracts for Mr Schramm and Mr Ball are on identical terms and conditions save that the payments to Mr Schramm are in Euros and those to Mr Ball are in Canadian Dollars and are each terminable by BBGI Management HoldCo with immediate effect for "cause" or "without cause" (subject to payment of 24 months' pay and benefits) or can be terminated by the relevant individual by giving twelve months' written notice to BBGI Management HoldCo.

Mr Schramm and Mr Ball are each entitled to an annual base salary payable monthly in arrears of €250,000 per annum and CAD 352,890 per annum respectively which is reviewed annually by the Supervisory Board.

Short-Term Incentive Plan (STIP)

Under the STIP, Mr Ball and Mr Schramm are entitled to an annual award ranging from 0% to 80% of their annual base salary, subject to the achievement of predetermined performance objectives set by the Supervisory Board at the beginning of the relevant financial year. The maximum amount payable under the STIP is 80% of the relevant executive's base salary, and the target performance is 48% of an executive's annual base salary.

In 2012 Mr Schramm received a bonus of €5,913.47 and Mr Ball CAD 8,347.94 in respect of the period from admission to 31 December 2011. Bonuses for Mr Ball and Mr Schramm for the year ending 31 December 2012 amounting to CAD 264,668 and EUR 187,500, respectively have been accrued.

Long-Term Incentive Plan (LTIP)

Under the LTIP, Mr Ball and Mr Schramm may be awarded a percentage of the executive's salary, depending on the performance of the Company, measured by the total shareholder return over each rolling three year Return Period.

The target award is 50% of the relevant executive's salary and the maximum award is 100% of the relevant executive's salary. The target award will be determined by reference to a threshold hurdle of a total shareholder return of 16.5% over the three year return period starting from 21 December 2011. The maximum award requires a total shareholder return of approximately 28% over the three year period.

As at the date of these financial statements, there are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits.

Employment contract

BBGI Management HoldCo has entered into a contract of employment with Mr Speer, which is terminable on six months' written notice by either party.

Mr Speer is entitled to an annual base salary payable monthly in arrears of EUR 123,000 per annum which is reviewed annually by the Supervisory Board. In addition, Mr Speer is entitled to be considered for a discretionary bonus. The maximum amount payable under this bonus is 62% of the Mr Speer's annual base salary, and the target performance is 53% of Mr Speer's annual base salary.

As at the date of this Annual Report, there are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits.

Mr Speer received a bonus of EUR 2,290 in respect of the period from admission to 31 December 2011. Bonus for Mr Speer for the year ending 31 December 2012 amounting to EUR 60,125 has been accrued.

Consultancy agreement with Duncan Ball

During the year the company engaged Mr Ball in a consultancy capacity. Under this engagement Mr Ball provided additional services to the Company outside of the scope of services provided under his 'Service Contract'. Under the provisions of the contract that started in May 2012, Mr Ball will receive a fixed fee of CAD 36,000 per annum for the provision of such services. There are no outstanding amounts from the contract as of 31 December 2012.

Share issue expenses

Pursuant to the placing agreement, share issue expenses of up to 2% of the gross proceeds from the issue of share capital from the placing and offer for subscription were payable by the Company, and any remaining issue expenses were payable by Bilfinger Project Investments GmbH (BPI).

As of 31 December 2011, Bilfinger S.E. ("BSE") indirectly held, through BBPI, 42,188,000 shares (representing 19.9%) of the total issued share capital of the Company. As of 31 December 2012, BSE continues to indirectly hold 42,188,000 shares (representing 19.8%) of the total issued share capital of the Company.

During the year ended 31 December 2011, all expenses associated with the placing and offer for subscription were paid by BPI directly, and upon the satisfactory issuance of shares under the placing and offer for subscription and pursuant to the placing agreement, share issue expenses of 2% of the share capital raised from the placing and offer for subscription became payable to BPI. An amount of £4,240,000 was paid by the Company to BPI to settle this payable.

Pipeline Agreement

The Company has entered into a Pipeline Agreement with BPI. Pursuant to the terms of this agreement, BPI undertakes that, after the date of the agreement and before 31 December 2016, it will notify the Company of any proposal to sell its interest in a PFI/PPP infrastructure asset or similar asset, the Company then has right of first refusal or right of first offer. If it is agreed that an asset will be purchased by the Company, then BPI and the Company will enter into a sale and purchase agreement.

No fees are payable by the Company to BPI under the Pipeline Agreement.

Transactions with investments at fair value through profit or loss

The Group, through UK Holdco, Lux Holdco and M80 Topco, currently has loan receivables and interest receivables outstanding from investments accounted for at fair value through profit or loss, which are treated as trade and other receivables. The details, including interest income and interest receivable from such, are as follows:

	Trade and other receivables				
In thousands of Pounds Sterling	**Principal amount**	**Interest receivable**	**Other receivable**	**Total**	**Interest income**
Golden Ears Bridge Project	10,554	2,136	-	12,690	1,275
Gloucester Hospital Project	1,191	15	-	1,206	46
Kent Schools Project	6,800	307	-	7,107	406
Liverpool and Sefton Clinics and Barnett and Haringey Clinics	3,406	256	-	3,662	245
Northwest Anthony Henday Drive Project	10,573	291	-	10,864	998
M80 Project	24,000	1,887	775	26,662	-
Unna Project	991	61	-	1,052	30
	57,515	4,953	775	63,243	3,000

The significant terms of the intercompany loans are as follows:

	Interest rate
Golden Ears Bridge Project	12.0%
Gloucester Hospital Project	LIBOR +4.0%
Kent Schools Project	12.1%
Liverpool and Sefton Clinics and Barnett and Haringey Clinics	11.7%-13.4%
Northwest Anthony Henday Drive Project	10.0%
M80 Project	10.5%
Unna Project	12.0%

The principal and interest repayments are expected to be received over the life of the projects and depending on the availability of cash at each of the projects and after considering external loan repayments.

The other remaining portion of trade and other receivables amounting to £5,278,000 relates to third party receivables.

Profit Participating Loan

The Company as lender and MHC as borrower have entered into a profit participating loan agreement. Pursuant to this agreement the Company has and will continue to make available an interest bearing loan to MHC for the purposes of funding its initial and subsequent acquisitions of interests in PFI/PPP infrastructure assets. As at 31 December 2012, £191,161,000 was outstanding (nil as of 31 December 2011). The interest income related to such loan amounts to £5,774,000 (nil for the period ended 31 December 2011). There is no outstanding interest payable as of 31 December 2012 (nil as of 31 December 2011).

MHC as a lender and the Lux Holdco as borrower have entered into a profit participating loan agreement. Pursuant to this agreement the Company has and will continue to make available an interest bearing loan to Lux Holdco for the purposes of funding its initial and subsequent acquisitions of interests in PFI/PPP infrastructure assets. As at 31 December 2012 £70,702,000 was outstanding (nil as of 31 December 2011). The interest income related to such loan amounts to £3,879,000 (nil for the period ended 31 December 2011). There is no outstanding interest payable as of 31 December 2012 (nil as of 31 December 2011).

The profit participating loans will mature during 2041.

22. COMMITMENTS AND CONTINGENCIES

The Group has not entered into, and is not aware of, any other significant commitments and contingencies as of 31 December 2012 aside from those already disclosed in the consolidated financial statements.

23. SUBSEQUENT EVENTS

There are no significant subsequent events from 31 December 2012 to the date of approval of the financial statements which would impact the current amounts and disclosures included in the consolidated financial statements.

24. SERVICE CONCESSION AGREEMENTS

As a result of the acquisition of subsidiaries, and investment at fair value through profit or loss (see Note 4), the Group now operates 20 projects with a weighted average concession length of 24.6 years. The weighted average debt maturity is 22.8 years. The Group has a diverse asset mix from which the service concession receivables are derived and which is composed of lower risk availability based projects.

The rights of both the concession provider and concession operator are stated within the specific project agreement. The standard rights of the provider to terminate the project include poor performance and in the event of force majeure. The operator's right to terminate the project include failure of the provider to make payments under the agreement, a material breach of contract and relevant changes of law which would render it impossible for the service company to fulfil its requirements.

The following table summarizes the main information about the Group's outstanding service concession agreements:

Sector	Project Name	% owned on Project	Short Description of Concession Arrangement	Phase	Period of Concession (Operational Phase) Start Date	End Date	Investment Volume
Availability Roads	Kicking Horse Canyon	50%	Design, build, finance and operate a 26 kilometre stretch of the Trans-Canada Highway, a vital gateway to British Columbia.	Operational	September 2007	October 2030	CAD 148 million
	Golden Ears Bridge	50%	Design, build, finance and operate the Golden Ears Bridge that spans the Fraser River and connects Maple Ridge and Pitt Meadows to Langley and Surrey.	Operational	June 2009	June 2041	CAD 1,117 million
	Northwest Anthony Henday Drive	50%	Partly design, build, finance and operate a major transport infrastructure project in Canada, a ring road through Edmonton, capital of the Province of Alberta.	Operational	November 2011	October 2041	CAD 1,170 million
	M80 Project	50.1%	Design, build finance and operate 18km of dual two/three lane motorway with associated slip roads and infrastructure from Stepps in North Lanarkshire to Haggs in Falkirk	Operational	January 2009	September 2041	£ 310 million

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2012

Sector	Project Name	% owned on Project	Short Description of Concession Arrangement	Phase	Period of Concession (Operational Phase) Start Date	End Date	Investment Volume
Justice	Victoria Prisons	100%	Design, build, finance, and operate, for a period of 25 years, two new correctional facilities for the State of Victoria, Australia (MCC and MRC).	Operational	March 2006 (MRC)/February 2006 (MCC)	May 2031	AUD 244.5 million
	Burg Prison	90%	Design, build, finance and operate for a concession period of 25 years, a new prison for the State of Saxony-Anhalt, Germany.	Operational	May 2009	April 2034	EUR 100 million
Education	Bedford Schools	100%	Design, build, finance and operate the redevelopment of two secondary schools in the County of Bedfordshire.	Operational	June 2006	December 2035	£ 29 million
	Coventry Schools	100%	Design, build finance and operate new school and community facilities for the Coventry City Council.	Operational	In stages from March 2006 to June 2009	December 2034	£ 27 million
	Kent Schools	50%	Design, build finance and operate the redevelopment which included the construction of new build elements for each school as well as extensive reconfiguration and refurbishment.	Operational	June 2007	September 2035	£ 106 million
	Scottish Borders Schools	100%	Design, build, finance and operate three new secondary schools for the Scottish Borders Council.	Operational	July 2009	November 2038	£ 92 million
	Clackmannanshire Schools	100%	Design, build finance and operate the redevelopment of three secondary schools in Clackmannanshire, Scotland.	Operational	In stages from January - May 2009	March 2039	£ 77 million
	Eastdown College	66.67%	Design, build, finance and operate East Down Colleges in Northern Ireland.	Operational	June 2009	May 2036	£ 73.8 million (with Lisburn College)
	Lisburn College	100%	Design, build, finance and operate Lisburn College in Northern Ireland.	Operational	April 2010	May 2036	£73.8 million (with Eastdown College)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2012

Sector	Project Name	% owned on Project	Short Description of Concession Arrangement	Phase	Period of Concession (Operational Phase) Start Date	End Date	Investment Volume
Health	Gloucester Hospital	50%	Design, build, finance and operate a hospital scheme in Gloucester, England.	Operational	April 2005	February 2034	£ 38 million
	Liverpool and Sefton Clinics	26.70%	Design, build, finance and operate and manage primary healthcare facilities in Liverpool and Sefton.	Operational	In 6 tranches starting June 2004 and ending February 2011	March 2043	£ 91.5 million
	Barnet and Haringey Clinics	26.70%	Design, build, finance and operate primary healthcare facilities of the Barnet, Enfield and Haringey LIFT programme	Operational except for a minor part which is still on construction stage	Tranches from February 2006. Next tranche expected to complete in June 2013.	March 2043	EUR 86 million
	BDH Lift Project	60.0%	Design, build finance and operate ten facilities/clinics in East London with project construction completions between 2005 and 2009.	Operational	June 2004	30 years following financial close	£ 88 million
	Royal Women's Hospital	100%	Design, build, finance and operate a new nine-storey Royal Women's Hospital in Melbourne.	Operational	June 2008	June 2033	AUD 316 million
Others	Staffordshire Fire Stations	85%	Design, build, finance and operate 10 new community fire stations in Stoke-on-Trent and Staffordshire, UK	Operational	November 2011	October 2036	£ 47 million
	Unna Administrative Center	44.1%	Design, build, finance and operate the administration building of the Unna District in Rhine-Westphalia, Germany	Operational	July 2006	July 2031	EUR 24 million

COMPANY STATEMENT OF COMPREHENSIVE INCOME

In thousands of Pounds Sterling	**Note**	**Year ended 31 December 2012**	**3 October 2011 to December 31 2011**
Administration expenses	5	(3,186)	(168)
Other operating expenses		(249)	-
Results from operating activities		(3,435)	(168)
Finance costs	7	(404)	-
Finance income	6	6,523	42
Net finance income		6,119	42
Profit (Loss) before tax		2,684	126
Tax expense	8	(105)	(7)
Profit from continuing operations		2,579	(133)
Attributable to :			
Owners of the Company		2,579	(133)
Earnings per share			
Basic earnings per share	11	1.215	(0.313)
Diluted earnings per share	11	1.215	(0.313)

The accompanying notes form an integral part of the Company's financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

In thousands of Pounds Sterling	Note	31 December 2012	31 December 2011
Assets			
Loans receivable from subsidiary	14	202,650	-
Investment in subsidiary	4	2,000	12
Non-current assets		204,650	12
Receivables from affiliated companies	14	714	-
Other current assets		72	-
Cash and cash equivalents	9	13,015	207,788
Current assets		13,801	207,788
Total assets		218,451	207,800
Equity			
Share capital	10	208,807	207,760
Retained earnings	10	(4,338)	(133)
Equity attributable to owners of the Company		204,469	207,627
Total equity		204,469	207,627
Liabilities			
Loans and borrowings	12	10,871	-
Trade payables	14	2,617	22
Other payables		467	144
Current tax liabilities	8	27	7
Current liabilities		13,982	173
Total liabilities		13,982	173
Total equity and liabilities		218,451	207,800
Net asset value		204,469	207,627
Net asset value per ordinary share (pence)		96.002	97.937

The accompanying notes form an integral part of the Company's financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

In thousands of Pounds Sterling	Note	Share capital	Retained earnings	Total equity
Balance at 3 October 2011				
Ordinary shares issued		207,760	-	207,760
Profit or loss for the period		-	(133)	(133)
Balance at 1 January 2012		207,760	(133)	207,627
Total comprehensive income for the year				
Profit/(Loss) for the period		-	2,579	2,579
Total other comprehensive income		-	-	-
Total comprehensive income for the year		-	2,579	2,579
Transactions with owners of the Company, recognized directly in equity				
Cash dividends	10	-	(5,737)	(5,737)
Scrip dividends	10	1,047	(1,047)	-
Balance at 31 December 2012		208,807	(4,338)	204,469

The accompanying notes form an integral part of the Company's financial statements.

COMPANY STATEMENT OF CASH FLOWS

In thousands of Pounds Sterling	Note	Year ended 31 December 2012	3 October 2011 to December 31 2011
Cash flows from operating activities			
Profit (Loss) for the year		2,579	(133)
Adjustments for:			
- Net finance cost (income)	6,7	(6,119)	(42)
- Tax expense	8	105	7
		(3,435)	(168)
Changes in:			
- Receivables from affiliated companies		(367)	-
- Other current assets		(72)	-
- Trade payables		2,595	22
- Other payables		323	144
Cash generated from operating activities		(956)	(2)
Interest paid		(251)	-
Taxes paid		(85)	-
Net cash flows from operating activities		(1,292)	(2)
Cash flows from investing activities			
Interest received		6,176	42
Loans provided to subsidiaries	14	(202,650)	-
Investment in subsidiary	4	(1,988)	(12)
Net cash flows from investing activities		(198,462)	30
Cash flows from financing activities			
Net proceeds from loans and borrowings	12	10,718	-
Dividends paid	10	(5,737)	-
Proceeds from issue of ordinary shares		-	212,000
Payment of transaction costs		-	(4,240)
Net cash flows from financing activities		4,981	207,760
Net increase (decrease) in cash and cash equivalents		(194,773)	207,788
Cash and cash equivalents at 1 January		207,788	-
Cash and cash equivalents at 31 December	9	13,015	207,788

The accompanying notes form an integral part of the Company's financial statements.

NOTES TO COMPANY FINANCIAL STATEMENTS

for the year ended 31 December 2012

1. REPORTING ENTITY

Bilfinger Berger Global Infrastructure SICAV S.A. (the 'Company') is an investment company domiciled in Luxembourg that was incorporated on 3 October 2011 under the law of 17 December 2010 concerning undertakings for collective investment. The address of the Company's registered office is the Aerogolf Centre, Heienhaff 1A, 1736 Senningerberg, Luxembourg. The Company is admitted to the official list of the UK Listing Authority (premium listing, investment company) and to trading on the main market of the London Stock Exchange.

The Company is a closed-ended investment company that seeks to invest in a diversified portfolio of operational (or near operational) Private Finance Initiative (PFI) / Public Private Partnership (PPP) infrastructure assets or similar assets.

The Company has no employees as of 31 December 2012 and 2011, respectively.

Reporting period

The Company's reporting period runs from 1 January to 31 December, every year. The Company's first financial report was made for the period from 3 October 2011 (date of incorporation) to 31 December 2011. The Company's statement of financial position, statement of comprehensive income, and statement of cash flows includes comparative figures as at 31 December 2011. The amounts presented as non-current in the Company's statement of financial position are those which are expected to be settled after more than one year. The amounts presented as current are those which are expected to be settled within one year.

Certain modifications have been made on the 31 December 2011 comparative information presented in order to present them more appropriately in the current financial statements and to allow a better comparison with the 31 December 2012 amounts.

2. BASIS OF PREPARATION

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the provisions of the Standard of Recommended Practices issued by the Association of Investment Companies (AIC SORP).

These financial statements were approved by the Management Board and Supervisory Board on 27 March 2013.

Basis of measurement

These financial statements have been prepared on the historical costs basis.

Functional and presentation currency

These financial statements are presented in Pounds Sterling, which is the Company's functional currency.

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, 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 Company's accounting policies, which are described in Note 3, the management has made the following judgements that have the most significant effect on the amounts recognized in the financial statements.

Recognition and measurement of current and deferred tax

The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretation of tax law and prior experience. This assessment relies on estimates and assumptions and involves a series of judgements about future events, which includes availability of future profits to realize the recognized deferred tax assets. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities and the probability of claiming deferred tax assets; such changes to tax liabilities and tax assets will impact tax expense in the period that such determination is made.

Impairment testing for investments

Investment in subsidiary and loans receivable from subsidiaries is measured at cost less accumulated impairment losses. Impairment is tested at least annually by comparing the cost of the loans and investments with the net present value of cash flows in relation to the investee (and its subsidiaries), based on internally generated models. As of 31 December 2012, the Company believes that there is no impairment to be recorded in its investment in subsidiaries and the loans and receivables from subsidiaries.

Going concern basis of accounting

The Management Board has examined significant areas of possible financial risk including cash and cash requirements. They have 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 consolidated 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 in preparing the Company's financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Company.

FOREIGN CURRENCY

Foreign currency transactions

Transactions in foreign currencies are translated into Pounds Sterling at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Pounds Sterling at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into Pounds Sterling at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on translation are recognised in profit or loss as a gain or loss on currency translation.

FINANCIAL INSTRUMENTS

Non-derivative financial assets

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

In general, the Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate financial asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables, and available-for-sale financial assets.

At balance sheet date, except for investments accounted for at fair value through profit or loss, all non-derivative financial assets of the Company have been classified as loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Non-derivative financial liabilities

The Company classifies non-derivative financial liabilities into the other financial liability category. Such financial liabilities are recognised initially at fair value less any direct attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

The Company derecognises a financial liability (or part of a financial liability) from the statement of financial position when, and only when, it is extinguished or when the obligation specified in the contract or agreement is discharged or cancelled or expired. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is considered in profit or loss.

Derivative financial instruments, including hedge accounting

The Company may hold derivative financial instruments to hedge its foreign currency, interest rate and other risk exposures.

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognized immediately in profit or loss.

IMPAIRMENT

Non derivative financial assets

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset or group of financial assets is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets(s), and that loss event(s) had an impact on the estimated future cash flows of the asset(s) that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

PROVISIONS

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to a liability. The unwinding of the discount is recognized as finance cost.

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are held at cost less any impairment.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and term deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of change in their fair value, and are used by the Company in the management of its short-term commitments.

SHARE CAPITAL

Ordinary shares are classified as equity. Given that the Company has no contractual obligation to deliver cash or any other financial asset or to exchange financial assets or liabilities with another entity under conditions that are unfavourable, the Company classifies the issued shares to be equity rather than liability. Moreover, no shareholder has the right to request the redemption of issued shares.

Costs directly attributable to the issue of ordinary shares, or which are associated with the establishment of the Company, that would otherwise have been avoided are recognised as a deduction from equity, net of any tax effects.

FINANCE INCOME AND FINANCE COSTS

Interest income and expenses are recognised in profit or loss using the effective interest method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, where appropriate, a shorter period) to the carrying amount of the financial instrument. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. Interest received or receivable and interest paid or payable are recognised in profit or loss as finance income and finance costs, respectively.

OPERATING EXPENSES

All operating expenses are recognised in profit and loss on an accrual basis.

TAX

According to the Luxembourg regulations regarding SICAV companies, the Company itself is exempt from paying income and/or capital gains taxes in Luxembourg. It is, however, liable to annual subscription tax of 0.05% of its total net assets, payable quarterly and assessed on the last day of each quarter.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The IASB and IFRIC have issued a number of standards and interpretations with an effective date after the beginning of the period of these financial statements. Management has set out below only those which may have an impact on the financial statements in the future periods.

Amendments to IAS 1 (effective 1 July 2012): This amendment changes the disclosure of items presented in other comprehensive income (OCI) in the statement of comprehensive income and requires entities to separate items presented in OCI into two groups, based on whether or not they may be recycled to profit or loss in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately.

IFRS 9, *Financial instruments (effective 1 January 2015)**: This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

IFRS 12 *(effective 1 January 2013):* This standard is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and off balance sheet vehicles. The standard requires an entity to disclose information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. IAS 27 (amended 2011) now only contains requirements relating to separate financial statements as a result of the issuance of the new standard IFRS 10. According to the amendment of IAS 28 an entity shall account for an investment, or a portion of an investment, in an associate or a joint venture as held for sale if it meets the relevant criteria. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale shall be accounted for using the equity method or any other acceptable valuation method until disposal of the portion that is classified as held for sale takes place.

IFRS 12 and the consequential amendments to IAS 27 are effective for annual periods beginning on or after 1 January 2013. These new or amended standards may be adopted early, but must be adopted as a package, that is, all as of the same date, except that an entity may adopt early the disclosure provisions for IFRS 12 (without adopting the other new standards). The standards are to be applied on a retrospective basis.

IFRS 13 (effective 1 January 2013): This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.

Amendments to IAS 27 (effective 1 January 2013): IAS 27 Consolidated and separate financial statements.

- Partial acquisitions: proportionate interest or fair value.
- Step acquisitions: change in goodwill calculation.

Goodwill is measured as the difference at acquisition date between the fair value of any investment in the business held before the acquisition, the consideration transferred and the net assets acquired. Acquisition-related costs: costs related to acquisition of a business are generally recognised as expenses (rather than included in goodwill). Contingent consideration: contingent consideration is recognised and measured at fair value at the acquisition date. Transactions with non-controlling interests: changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions.

Investment Entities (Amendment to IFRS 10, IFRS 12 and IAS 27):* A qualifying investment entity is required to account for investments in controlled entities – as well as investments in associates and joint ventures – at fair value through profit or loss; the only exception would be subsidiaries that are considered an extension of the investment entity's investing activities. The consolidation exception is mandatory – not optional. The Company is currently assessing if it will qualify as an investment entity.

IAS 32 (effective 1 January 2014): Financial Instruments: Presentation – This standard clarifies the requirements for offsetting financial assets and financial liabilities.

The Company is currently assessing the impact of the adoption of the above new or amended standards on the Company's financial statements and will determine an adoption date.

*Not yet endorsed by the EU as of 31 December 2012.

4. ESTABLISHMENT OF SUBSIDIARY

On 20 October 2011 the Company established BBGI Management HoldCo S.à r.l., a Luxembourg domiciled entity, (MHC) as an operational vehicle for the Company. The Company holds 100% of the shares and voting interest in MHC.

The Company's investments in PFI/PPP infrastructure assets, or similar assets, were made and will be made through MHC.

Cash of £12,000 was transferred as consideration for the share capital necessary to establish MHC and in return the Company acquired 120 ordinary shares in MHC. The fair value of the ordinary shares issued was based on the issue price of £100 per share. As MHC was a newly established company during 2011 with no previous operations, no assets were acquired or liabilities assumed during 2011. During the year, MHC increased its share capital to £2,000,000, divided into 20,000 ordinary shares. All the issued ordinary shares of MHC are owned by the Company.

5. ADMINISTRATION EXPENSES

In thousands of Pounds Sterling	**Year ended 31 December 2012**	**3 October 2011 to 31 December 2011**
Support agreement fees (see Note 14)	2,457	-
Other administration expenses	729	168
	3,186	168

The audit fee expense during the year, included in the legal and professional fees amounted to £181,000.

6. FINANCE INCOME

In thousands of Pounds Sterling	Year ended 31 December 2012	3 October 2011 to 31 December 2011
Finance income from profit participating loans (see Note14)	5,774	-
Finance income from shareholder loans (see Note 14)	347	-
Interest income from deposits	380	42
Other interest income	22	-
	6,523	42

7. FINANCE COST

In thousands of Pounds Sterling	Year ended 31 December 2012
Finance cost from loans and borrowing	390
Other finance costs	14
	404

The Company has no finance cost for the period ended 31 December 2011.

8. TAXES

The composition of the current tax payables are as follows:

In thousands of Pounds Sterling	31 December 2012	31 December 2011
Current tax expense		
Subscription tax	27	7
	27	7

A reconciliation of the tax expense and the tax at applicable tax rate are as follows:

In thousands of Pounds Sterling	**Year ended 31 December 2012**	**3 October 2011 to 31 December 2011**
Profit for the year before tax		
Profit (Loss) before tax	2,684	133
Tax using the Company's domestic tax rate	-	-
Subscription tax payable by the Company	105	7
Tax charge for the year	105	7

The Company is exempt from paying income and/or capital gains taxes in Luxembourg. It is however liable to an annual subscription tax of 0.05% of its total net assets.

9. CASH AND CASH EQUIVALENTS

In thousands of Pounds Sterling	**31 December 2012**	**31 December 2011**
Bank balances	13,015	52,447
Term deposits	-	155,341
	13,015	207,788

The term deposits are composed of short term investments with maturity of less than 3 months.

10. CAPITAL AND RESERVES

	Ordinary shares	
In thousands of shares	**31 December 2012**	**31 December 2011**
On issue at beginning of the year/period	212,000	-
Shares issued for cash at the incorporation of the Company	-	29
Shares issued for cash under the placing or offer subscription	-	211,971
Shares issued through scrip dividends	985	-
	212,985	212,000

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 meetings of the Company.

The Company was incorporated on 3 October 2011 with share capital of 29,000 ordinary shares, with no par value, at a price of £1 per share. The Board may with Supervisory Board approval, at any time, as it deems appropriate, decide that the shares to be issued be of one or more different classes (each such class, a "Class"), the features, terms and conditions of which shall be established by the Board.

On 14 December 2011 the Company announced the results of its placing and offer for subscription of ordinary shares. The Company raised £211,971,000 (before expenses) through the issue of 211,971,000 shares at a price of £1 per share, of which 163,837,256 shares were issued by way of the placing and 48,133,744 shares were issued pursuant to the offer for subscription. Expenses incurred in the issuance of the additional ordinary shares amounted to £4,240,000 and this expense has been deducted from share capital recognised. The amount raised net of share issue expenses was £207,731,000. The entire share capital of the Company was admitted to trading on the London Stock Exchange on 21 December 2011.

During the year the Company issued an additional 984,715 shares as a result of shareholders electing for scrip dividend alternative on the interim dividend declared (see below Note 10 - Dividends).

Dividends

The following dividends were declared by the Company during the year ended 31 December 2012, which pertains to results of operations for the period ended 31 December 2011 and six-month period ended 30 June 2012.

In thousands of Pounds Sterling except as otherwise stated	**31 December 2012**
0.45 pence per qualifying ordinary share – for period ended 31 December 2011	954
2.75 pence per qualifying ordinary share – for period ended 30 June 2012	4,783
Scrip dividends – for period ended 30 June 2012	1,047
	6,784

During the year the Company declared dividends amounting to £954,000 applicable for the period ended 31 December 2011.

Also during the year the Company declared the payment of dividend amounting to £5,830,000 applicable for the six-month ended 30 June 2012, with the option of electing for a scrip alternative. As a result of the above, a total of 984,715 shares were issued for a price of 106.35 pence per share. The remaining amount of £4,782,756 was paid in cash.

11. EARNINGS PER SHARE

The basic and diluted earnings per share at 31 December 2012 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	**Year ended 31 December 2012**	**3 October 2011 to 31 December 2011**
Profit (loss) attributable to ordinary shareholders	2,579	(133)
Weighted average number of ordinary shares in issue	212,246	42,423
Basic and diluted earnings per share (in pence)	1.215	(0.313)

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

In thousands of shares	**Year ended 31 December 2012**	**3 October 2011 to 31 December 2011**
Shares issued at the incorporation of the Company	29	29
Effects of shares issued under the placing and Offer for Subscription	211,971	42,394
Scrip dividends issued	246	-
	212,246	43,408

The additional shares issued as scrip dividend during the year (see Note 10) was included retrospectively in the weighted average of the ordinary shares in issue in order to achieve a more appropriate comparison of the earnings per share.

12. LOANS AND BORROWINGS

During the year the Company entered into a £35 million revolving credit facility agreement (the Credit Facility) with three participating banks. The Credit Facility bears a variable interest rate and can be availed by the Company until July 2015. The loans and borrowings recorded are composed of the following:

In thousands of Pounds Sterling	31 December 2012
Loan principal	11,514
Interest payable	48
Debt issuance cost	(691)
Total	10,871

The Company had no loans and borrowings as of 31 December 2011.

Loan covenant

As of 31 December 2012 the abovementioned loan is subject to certain covenants, including but not limited to loan to covenant ratio and historic interest cover ratio. There are no reported breaches on the loan covenants in relation to the above mentioned loans.

Pledges and Collaterals

The Group pledged all the current and future assets held at the holding structure (MHC, Lux Holdco, UK Holdco, GP and the Company) in relation to revolving credit facility.

13. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from financial instruments:
- Credit risk
- Liquidity risk
- Capital risk management
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

RISK MANAGEMENT FRAMEWORK

The Management Board has overall responsibility for the establishment and oversight of the Company's risk management framework.

CREDIT RISK

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss.

In thousands of Pounds Sterling	31 December 2012	31 December 2011
Loans receivable from subsidiary	202,650	-
Other receivables from affiliated companies	714	-
Cash and cash equivalents	13,015	207,800
	216,379	207,800

The Company establishes an allowance for impairment that represents its estimate of any potential losses in respect of receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment related to such receivables. Currently there are no recorded allowances for impairment. All the Company's receivables are collectible and no significant amounts are considered as overdue or impaired.

The cash and cash equivalents are maintained with reputable banks with ratings that are acceptable based on the established internal policy of the Company. Based on the assessment of the Management Board, there are no significant credit risks related to the cash and cash equivalents maintained with banks.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's policy over liquidity risk is that it will seek to have sufficient liquidity to meet its liabilities and obligations when due.

The Company manages liquidity risk by maintaining adequate cash and cash equivalents and borrowing facilities to finance day to day operations and long term projects. The Company also regularly monitors the forecast and actual cash requirements and matches the maturity profiles of the Company's financial assets and financial liabilities.

During the year, the Company has entered into a £35 million credit facility (see Note 11) with three participating banks to finance further asset acquisitions and working capital needs. The Credit Facility is available until July 2015.

As disclosed in Note 11 the Credit Facility contains certain debt covenants. The breach of any of such covenants may require accelerated loan repayments.

All financial liabilities of the Company have maturities of less than 1 year

MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company is exposed to interest rate fluctuations on the outstanding loan payable amount on the Credit Facility (see Note 11). The Company mitigates such exposure by charging the same variable interest rates to subsidiaries.

The Company has no significant foreign currency exposure.

FAIR VALUES VERSUS CARRYING AMOUNTS

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 fair value of loans receivable from subsidiary and investment in subsidiary, with a total carrying value of £204,650,000, amounts to £220,521,000. The fair value of these loans receivable and investment in subsidiary is determined by discounting the future cash flows to be received from such assets.

CAPITAL RISK MANAGEMENT

The Company's objective when managing capital (see Note 15) is to ensure the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for further stakeholders and to maintain an optimal capital structure while seeking to minimise the cost of capital. The Company, at a Group level views the share capital (see Note 10) and the Credit Facility (see Note 12) as capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares. The Company targets minimum 5.5% dividend yield. However, it is important to note that this is only a target and not a profit forecast, based on the issue price of the Company's ordinary shares at the time of the IPO. There can be no assurance that this target will be met.

The Company regularly reviews compliance with Luxembourg regulations regarding restrictions on minimum capital. During the year/period covered by these financial statements, the Company complied with all externally imposed capital requirements.

There were no changes in the Group's approach to capital management during the year.

14. 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 £140,000 in fees for the year ended 31 December 2012, and £24,100 for year ended 31 December 2011. There are no outstanding amounts due as of 31 December 2012.

The Chairman of the Supervisory Board currently receives a fee of £45,000 per annum, and other members of the Supervisory Board each currently receive a fee of £30,000 per annum (with the exception of the Chairman of the Audit Committee and the Senior Independent Director who each receive an additional fee of £2,500 per annum). The aggregate remuneration of the members of the Supervisory Board in their capacity as such currently amounts to £140,000 per annum.

Remuneration of the Management Team

Under the current remuneration programme, all employees of BBGI Management HoldCo (which include the members of the Management Board, Frank Schramm, Duncan Ball and Arne Speer) are entitled to an annual base salary payable monthly in arrears, which is reviewed annually by the Supervisory Board. In addition, certain senior executives (including Mr Schramm and Mr Ball) are also entitled to participate in a short-term incentive plan ("STIP") and a long-term incentive plan ("LTIP").

Service contracts

BBGI Management HoldCo has entered into service contracts with both Mr Schramm and Mr Ball (each such contract being a "Service Contract"). The Service Contracts for Mr Schramm and Mr Ball are on identical terms and conditions save that the payments to Mr Schramm are in Euros and those to Mr Ball are in Canadian Dollars and are each terminable by BBGI Management HoldCo with immediate effect for "cause" or "without cause" (subject to payment of 24 months' pay and benefits) or can be terminated by the relevant individual by giving twelve months' written notice to BBGI Management HoldCo.

Mr Schramm and Mr Ball are each entitled to an annual base salary payable monthly in arrears of EUR 250,000 per annum and CAD 352,890 per annum respectively which is reviewed annually by the Supervisory Board.

Short-Term Incentive Plan (STIP)

Under the STIP, Mr Ball and Mr Schramm are entitled to an annual award ranging from 0% to 80% of their annual base salary, subject to the achievement of pre-determined performance objectives set by the Supervisory Board at the beginning of the relevant financial year. The maximum amount payable under the STIP is 80% of the relevant executive's base salary, and the target performance is 48% of an executive's annual base salary.

In 2012 Mr Schramm received a bonus of EUR 5,913.47 and Mr Ball CAD 8,347.94 in respect of the period from admission to 31 December 2011. Bonuses for Mr Ball and Mr Schramm for the year ending 31 December 2012 amounting to CAD 264,668 and EUR 187,500, respectively, have been accrued.

Long-Term Incentive Plan (LTIP)

Under the LTIP, Mr Ball and Mr Schramm may be awarded a percentage of the executive's salary, depending on the performance of the Company, measured by the total shareholder return over each rolling three year Return Period.

The target award is 50% of the relevant executive's salary and the maximum award is 100% of the relevant executive's salary. The target award will be determined by reference to a threshold hurdle of a total shareholder return of 16.5% over the three year return period starting from 21 December 2011. The maximum award requires a total shareholder return of approximately 28% over the three year period.

As at the date of these financial statements, there are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits.

Employment contract

BBGI Management HoldCo has entered into a contract of employment with Mr Speer, which is terminable on six months' written notice by either party.

Mr Speer is entitled to an annual base salary payable monthly in arrears of EUR 123,000 per annum which is reviewed annually by the Supervisory Board. In addition, Mr Speer is entitled to be considered for a discretionary bonus. The maximum amount payable under this bonus is 62% of the Mr Speer's annual base salary, and the target performance is 53% of Mr Speer's annual base salary.

As at the date of this Annual Report, there are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits.

Mr Speer received a bonus of EUR 2,290.41 in respect of the period from admission to 31 December 2011. Bonus for Mr Speer for the year ending 31 December 2012 amounting to EUR 60,125 has been accrued.

Consultancy Agreement with Duncan Ball

During the year the company engaged Mr Ball in a consultancy capacity. Under this engagement Mr Ball provided additional services to the Company outside of the scope of services provided under his 'Service Contract'. Under the provisions of the contract that started in May 2012, Mr Ball will receive a fixed fee of CAD 36,000 per annum for the provision of such services. There are no outstanding amounts from the contract as of 31 December 2012.

Directors' shareholding in the Company

In thousands of shares	31 December 2012	31 December 2011
David Richardson	82	45
Colin Maltby	30	30
Thomas Töpfer	41	40
Frank Schramm	77	75
Duncan Ball	77	75
Arne Speer	36	35
	343	**300**

Share issue expenses

Pursuant to the placing agreement, share issue expenses of up to 2% of the gross proceeds from the issue of share capital from the placing and offer for subscription were payable by the Company, and any remaining issue expenses were payable by Bilfinger Project Investments GmbH (BPI).

As of 31 December 2011, Bilfinger S.E. ("BSE") indirectly held, through BPI, 42,188,000 shares (representing 19.9%) of the total issued share capital of the Company. As of 31 December 2012, BSE continues to indirectly hold 42,188,000 shares (representing 19.8%) of the total issued share capital of the Company.

During the year ended 31 December 2011, all expenses associated with the placing and offer for subscription were paid by BPI directly, and upon the satisfactory issuance of shares under the placing and offer for subscription and pursuant to the placing agreement, share issue expenses of 2% of the share capital raised from the placing and offer for subscription became payable to BPI. An amount of £4,240,000 was paid by the Company to BPI to settle this payable.

Pipeline Agreement

The Company has entered into a Pipeline Agreement with BPI. Pursuant to the terms of this agreement, BPI undertakes that, after the date of the agreement and before 31 December 2016, it will notify the Company of any proposal to sell its interest in a PFI/PPP infrastructure asset or similar asset, the Company then has right of first refusal or right of first offer. If it is agreed that an asset will be purchased by the Company, then BPI and the Company will enter into a sale and purchase agreement.

No fees are payable by the Company to BPI under the Pipeline Agreement.

Profit Participating Loan

The Company as lender and MHC as borrower have entered into a profit participating loan agreement. Pursuant to this agreement the Company has and will continue to make available an interest bearing loan to MHC for the purposes of funding its initial and subsequent acquisitions of interests in PFI/PPP infrastructure assets. As at 31 December 2012, £191,161,000 was outstanding (nil as of 31 December 2011). The interest income related to such loan amounts to £5,774,000 (nil for the period ended 31 December 2011). There is no outstanding interest payable as of 31 December 2012 (nil for the period ended 31 December 2011). The interest on the profit participating loan is computed based on the net profit of MHC in accordance with the Profit Participating Loan Agreement. The Profit Participating Loans will mature during 2041.

Shareholder Loan

The Company as lender and MHC as borrower have entered into a shareholder loan agreement. Pursuant to this agreement the Company has and will continue to make available an interest bearing loan to MHC for the purposes of funding certain acquisitions. As at 31 December 2012, £11,489,000 was outstanding (nil as of 31 December 2011). The interest income related to such loan amounts to £347,000 which remains unpaid for the year ended 31 December 2012 (nil for the period ended 31 December 2011). The shareholder loan will mature during July 2015 and bears an interest similar to the interest rates charged by the related bank loan (see Note 12).

Working Capital Loan

The Company as lender and MHC as borrower have entered into a working capital loan agreement. Pursuant to this agreement the Company has and will continue to make available a non-interest bearing short term financing to MHC for the purposes of financing its day to day operations. As at 31 December 2012, £350,000 remains outstanding (nil as of 31 December 2011). The working capital loan is payable on demand and is non-interest bearing.

Support Agreement with MHC

The Company and MHC have entered into a support agreement (Support Agreement) whereby MHC will provide assistance and support for the Company with respect to the day to day management of the Fund's assets. As at 31 December 2012 the Company recorded support agreement expenses amounting to £2,457,000 and remains unpaid (nil as of 31 December 2011).

Other material contracts

The Company has engaged the services of certain entities to provide, legal, custodian, audit, tax and other services to the Company. The expenses incurred in relation to such are treated as administration expenses (see Note 5).

15. COMMITMENTS AND CONTINGENCIES

The Group has not entered and is not aware of any other significant commitments and contingencies as of 31 December 2012, aside from those already disclosed in the financial statements.

16. SUBSEQUENT EVENTS

There have been no significant subsequent events from 31 December 2012 to the date of approval of the financial statements which would impact the current amounts and disclosures included in the financial statements.

BOARD MEMBERS, AGENTS & ADVISERS

Supervisory Board

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

Management Board

- Frank Schramm
- Duncan Ball
- Arne Speer

Managers of BBGI Management HoldCo

- Frank Schramm
- Duncan Ball
- Michael Denny

Registered Office of the Company and BBGI Management HoldCo

Aerogolf Centre
Heienhaff 1a
L-1736 Senningerberg
Grand Duchy of Luxembourg

Central Administrative Agent, Luxembourg Registrar and Transfer Agent, Custodian and Principal Paying Agent

RBC Investor Services Bank S.A.
Luxembourg Registrar and Transfer Agent
14 Porte de France
L-4360 Esch-sur-Alzette
Grand Duchy of Luxembourg

Receiving Agent and UK Transfer Agent

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

Depository

Capita IRG Trustees Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

Corporate Brokers

Oriel Securities Limited
150 Cheapside
London EC2V 6ET
United Kingdom

Jefferies International Limited
Vintners Place
68 Upper Thames Street
London EC4V 3BJ

Auditors

KPMG Luxembourg S.à r.l.
9, allée Scheffer
L–2520 Luxembourg

Tax Advisors for the Company

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH
United Kingdom

UK Company Secretarial support

Ipes (UK) Limited
10 Lower Grosvenor Place
London SW1W 0EN
United Kingdom

Luxemburg Company Secretarial support

Ipes (Luxemburg) S.A.
124 Bld de la Petrusse
L-2330
Luxembourg

Public Relations

Maitland
Orion House
5 Upper St Martin's Lane
London WC2H 9EA
United Kingdom

Aerogolf Centre
Heienhaff 1a
L-1736 Senningerberg
Grand Duchy of Luxembourg

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Global Infrastructure