



BBGI SICAV S.A.

Quarterly Management Statement

18 May 2016



A Global
Infrastructure
Company

BBGI SICAV S.A. ('BBGI' or the 'Company'), the listed global infrastructure investment company, is today issuing this Quarterly Management Statement ("QMS"). Any reference to the Company or BBGI below also refers to its subsidiaries (where applicable). This statement relates to the period from 1 January 2016 to 17 May 2016.

Highlights

- Portfolio performance and cash receipts are slightly ahead of the business plan and underlying financial models.
- On 29 April 2016, the Company declared a final dividend for the year ended 31 December 2015 of 3.00 pence per share, bringing the total dividend for the year to 6.00 pence per share, which is in line with the Company's revised dividend target and represents a 4.17% increase from the previous year.
- The net effect of foreign exchange movements on the Investment Basis NAV ("NAV") from 1 January to 16 May 2016 was an increase of approximately £18.2 million.
- In March, BBGI completed the previously announced acquisition of 100% of the equity and subordinated debt interests in the Belfast Metropolitan College ("BMC") project in Northern Ireland. The combined acquisition cost for both the BMC project and the North West Regional College project, which concluded in December 2015, was £11.7 million.
- Construction of the Mersey Gateway, Ohio River Bridges and North Commuter Parkway projects is progressing well with no significant delays currently expected.
- On 21 January 2016, BBGI was part of a consortium shortlisted to develop a bid for the circa C\$2 billion Gordie Howe International Bridge P3 Project between Ontario, Canada and Michigan, U.S.A.
- In April, the Company utilised the accordion tranche provision within its corporate credit facility to increase the total commitment under the facility from £80 million to £110 million with effect from 3 May 2016. The Company retains the ability, by utilising the accordion provision, to further increase the total commitment under the facility to £180 million.
- The Company's shares continue to trade at a premium to NAV closing at £1.3275 on 16 May 2016 representing a premium of 19.1% to the 31 December 2015 NAV (adjusted for the dividend declared in April).
- Total Shareholder Return since listing in December 2011 to 16 May 2016 of 61.33% equating to a compound annual growth rate of 11.48%.
- At the Company's EGM in April 2016, the shareholders voted unanimously in favour of amending the Company's articles in order to remove the 5% premium limitation imposed when setting the price on secondary issuances of the same class of shares. This amendment is subject to the enactment of a new Bill into Luxembourg law. This Bill is currently going through the Parliamentary legislative process.

Asset Performance

The existing portfolio of projects continues to perform well with no material exceptions. Cash flows generated from the projects in the period are slightly in excess of project budgets and Management's expectations.

Dividends

On 29 April 2016, the Company declared a final dividend of 3.00 pence per share for the year ended 31 December 2015. A scrip alternative will be offered to shareholders. Payment of the final dividend and allotment of the scrip shares is expected to be made on 29 June 2016. The ex-dividend date and the record dates are 12 and 13 May 2016 respectively.

Portfolio

BBGI's existing portfolio comprises 39 projects spread across a range of sectors including roads, education, healthcare and justice. All the projects in BBGI's portfolio are availability-based and are supported by contracted, government-backed revenue streams, with inflation protection characteristics. The portfolio analysis below is based on the existing portfolio value as at 31 December 2015 adjusted for the purchase price of subsequent acquisitions and foreign exchange movements.

The portfolio currently has the following estimated sector, geographical and project status split:

- Sector split: 38% Roads & Bridges, 22% Justice, 22% Health, 16% Education and 2% other assets
- Geographical split: 41% UK, 26% Canada, 20% Australia, 9% Continental Europe and 4% USA
- Status split: 96% operational, 4% late stage construction and 0% early stage construction^{1,2}

Assets in Construction

BBGI currently has three assets in construction. Ohio River Bridges in the US is expected to become operational in late 2016, Mersey Gateway Bridge in the UK in 2017 and North Commuter Parkway in Canada in 2018. Construction for each of the three projects continues to be largely on schedule with no significant completion delays currently expected.

Valuation of the Portfolio

The Company reports its NAV semi-annually when it publishes its results for the half and full year periods ending in June and December respectively. The Company, in its QMS, also provides guidance in terms of the impact of foreign exchange movements in the period on the NAV.

Over the period from 1 January 2016 to 16 May 2016 there has been a depreciation in the value of Sterling against the AUD, CAD, EUR, NOK and USD. The overall impact on the NAV, as calculated at 31 December 2015, is an increase of approximately £18.2 million.

Hedging

In March, the Company, in accordance with its hedging policy, entered into a number of forward contracts to partially hedge against currency fluctuations on future portfolio distributions for a period of up to four years.

¹ Early-stage construction assets are scheduled to become operational in 2017 and 2018. The late-stage construction asset is scheduled to become operational in December 2016.

² BBGI has equity and subordinated debt subscription obligations in Mersey Gateway Bridge ("MGB") and equity subscription obligations in North Commuter Parkway ("NCP"), collectively amounting to approximately £23 million. The subscription obligations are due for payment upon the scheduled construction completion of the respective projects. Assuming, for pro-forma purposes only, that the equity and/or subordinated debt subscription obligations for MGB and for NCP were paid down then the current estimated portfolio split would be 93% operational, 3% early-stage construction and 4% late-stage construction.

Net Debt

As at 17 May 2016, the Company had net debt of approximately £19.0 million, 4.0% of the NAV as calculated at 31 December 2015, after taking account of approximately £26.2 million of currently available cash. The maximum cash payment required to cover the declared 2015 final dividend, assuming no scrip election, would be £12.9 million.

With effect from 3 May 2016, the Company utilised the accordion tranche provision in order to increase the total facility amount from £80 million to £110 million. As at 17 May 2016 the amount utilised under the credit facility was £69.7 million, of which £24.5 million is being used to cover letters of credit and the remaining £45.2 million is drawn to provide bridge financing for acquisitions. BBGI retains the flexibility under the accordion tranche to further increase the total facility from £110 million to £180 million. No commitment fees are paid on the £70 million remaining unused portion of the accordion tranche.

The facility is used primarily to fund acquisitions and provide letters of credit for investment obligations, and the intention is to repay the facility from time to time through equity fundraisings. The term of the facility is three years from establishment and it will expire in January 2018.

Outlook and Investment Opportunities

The Supervisory and Management Boards are pleased to report that the portfolio of assets continues to perform well, and are confident of the Company's ability to deliver predictable dividends to shareholders.

The secondary market for social and transport infrastructure remains very competitive. BBGI will continue to follow a path of disciplined growth, being selective and surgical in its approach to identifying opportunities and buying secondary assets on an opportunistic basis. We believe that this approach is in the best interest of shareholders.

In addition, we continue to identify and assess additional attractive opportunities in new “greenfield” infrastructure projects which we believe are typically better priced on a risk-adjusted basis. During the period the Company was shortlisted for the Gordie Howe Bridge Project in Ontario, Canada and delivered a final proposal for the Winnipeg Bus Rapid Transit Project in Manitoba, Canada.

Due to the internal management structure, the interests of the management of BBGI and its shareholders are aligned and management is not incentivised to grow the Company to the detriment of its return targets.

Cautionary Statement

This QMS aims to give an indication of material events and transactions that have taken place during the period from 1 January 2016 to 17 May 2016 and their impact on the financial position of the Company. These indications reflect BBGI's current views and are subject to a number of risks and uncertainties and could change. Factors which could cause or contribute to such differences include, but are not limited to, general economic and market conditions and specific factors affecting the financial prospects or performance of individual investments within the portfolio of BBGI.

This QMS contains forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. Undue reliance should not be placed on any such statements because they speak only as at the date of this document and, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and BBGI's actions to differ materially from those expressed or implied in the forward-looking statements.

This QMS has been prepared solely to provide additional information to shareholders as a body and should not be relied upon by any other party or for any other purpose.

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