



BBGI SICAV S.A.

Interim Management Statement

13 May 2015



A Global
Infrastructure
Company

BBGI SICAV S.A. ('BBGI' or the 'Company'), a listed global infrastructure investment company, is issuing this Interim Management Statement ('IMS') in accordance with the Luxembourg Law of 11 January 2008 on transparency requirements for issuers of securities (the 'Transparency Law'), Article 5. Any reference to the Company or BBGI below also refers to its subsidiaries (where applicable). This statement relates to the period from 1 January 2015 to 12 May 2015.

Highlights

- Portfolio performance and cash receipts are slightly ahead of the business plan and underlying financial models.
- On 30 April 2015, the Company declared a final dividend for the year ended 31 December 2014 of 2.88 pence per share, bringing the total dividend for the year to 5.76 pence per share, which is in line with the Company's revised dividend target. The final dividend will have a scrip alternative with payment expected on 3 July 2015.
- In January 2015, the Company announced that it had secured a new three year Revolving Credit Facility of £80 million from ING Bank and KfW IPEX-Bank.
- BBGI is part of a consortium which, in February 2015, was shortlisted through to the final bidding process for the Southwest Rapid Transit Corridor Project, a primary PPP development in the city of Winnipeg, Canada.
- The net effect of foreign exchange movements on the Investment Basis NAV ('NAV') from 1 January to 12 May 2015 was a decrease of approximately £8.3 million.
- In March 2015, the Company, in accordance with its hedging policy, entered into a number of forward contracts to partially hedge any currency fluctuations on the future portfolio distributions for a period of up to four years.
- The Company's shares continue to trade at a premium to 31 December 2014 NAV, and as at 11 May 2015, the premium was 13.78%.
- Total Shareholder Return since listing in December 2011 to 11 May 2015 of 40.68%.
- In April 2015, the shareholders voted unanimously in favour of the Company's continuation resolution. All of the other resolutions put to the shareholders were also approved with support of at least 97% of votes cast.

Dividends

On 30 April 2015, the Company declared a final dividend of 2.88 pence per share for the year ended 31 December 2014. 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 3 July 2015.

The declaration of this final dividend is consistent with the Company's revised target dividend payment of at least 5.76 pence per share per annum.

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.

Portfolio

BBGI's existing portfolio comprises 36 projects spread across a range of sectors including roads, education, healthcare and justice. All the projects in BBGI's portfolio 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 2014, adjusted for foreign exchange movements.

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

- sector split: 44% Roads, 16% Justice, 21% Health, 16% Education and 3% other assets
- geographical split: 42% UK, 28% Canada, 16% Australia, 10% Continental Europe and 4% USA
- status split: 89% operational, 4% early stage construction and 7% late stage construction¹

Assets in Construction

BBGI currently has four assets in construction. The final building within the Avon & Somerset PFI project and the Phase II of Women's College Hospital are both expected to become operational in H2 2015. Ohio River Bridges is expected to become operational in 2016 and Mersey Gateway Bridge in 2017.

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 IMS, also provides guidance in terms of the impact of foreign exchange movements in the period on the NAV.

Over the period from 1 January 2015 to 12 May 2015 there has been an appreciation in the value of GBP against the AUD, CAD, EUR and NOK and a depreciation in value against the USD. The overall impact on the NAV, as calculated at 31 December 2014, is a decrease of approximately £8.3 million.

Balance Sheet

As at 12 May 2015, the Company has approximately £31.6 million of cash available out of which £12.3 million is designated for the payment of scheduled distributions.

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

Debt Facility

In January 2015, the Company secured a new three year Revolving Credit Facility of £80 million from ING Bank and KfW IPEX-Bank. BBGI retains the flexibility to consider larger transactions by virtue of having structured a further £100 million incremental accordion tranche, for which no commitment fees are paid, which allows it to increase the facility to £180 million, at BBGI's option. This facility replaced a £35 million facility with Royal Bank of Scotland, National Australia Bank and KfW, which was due to expire in July 2015.

The facility will be used primarily to fund acquisitions and provide letters of credit for investment obligations, and the intention will be to repay the facility from time to time through equity fundraisings.

The term of the facility is three years, expiring in January 2018. The borrowing margin has decreased from 225 bps under the old facility to 185 bps over LIBOR under the new facility.

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.

In February 2015, BBGI was selected as one of three teams invited to participate in the final bidding process for the Southwest Rapid Transit Project. This project is located in Winnipeg, Canada, and will connect the downtown with the rapidly growing southwest sector and the University areas of the city. BBGI intends to continue its strategy of selectively considering this and other development opportunities so long as, in aggregate, construction assets remain below 25% of the portfolio and they do not compromise the Company's ability to satisfy its dividend targets.

The secondary market for social and transport infrastructure has continued to remain very competitive with continued upward pressure on pricing evidenced by the trend in secondary market transactions. As a result, discount rates are expected to continue to tighten in the sector with an expected corresponding positive effect on the valuation of our existing assets.

BBGI will continue to follow a path of disciplined growth, being selective and surgical in its approach to identifying opportunities and buying assets on an opportunistic basis. Following this principle, BBGI was not successful when bidding on several secondary market transactions as prices currently requested or achieved in such transactions are not considered accretive for our shareholders. We believe that this approach is in the best interest of shareholders and we have limited the level of unsuccessful bid costs incurred by the Company. 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 IMS aims to give an indication of material events and transactions that have taken place during the period from 1 January 2015 to 12 May 2015 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 IMS 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 IMS has been prepared solely to provide additional information to shareholders as a body to meet the requirements of the Transparency Law, Article 5 and this IMS should not be relied upon by any other party or for any other purpose.