

28 August 2015

**BBGI SICAV S.A.**  
**('BBGI' or the 'Company')**

**Interim Results for six months ended 30 June 2015**

## COMPANY OVERVIEW

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### BBGI SICAV S.A.

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

#### BBGI AT A GLANCE

- Global, geographically diversified portfolio of 36 high-quality availability-based PPP/PFI infrastructure assets with strong yield characteristics, contracted government-backed revenue streams, inflation-linked returns and long-term contracts
- 92% of the assets by value are operational assets with a focus on availability-based roads and bridges and social infrastructure
- 44% of the assets by value are located in the UK, 28% in Canada, 15% in Australia, 9% in Continental Europe and 4% in the United States
- 42% of assets by value are availability-based roads and bridges and the remainder social infrastructure assets principally schools, hospitals and prisons
- Stable cash flows with inflation protection characteristics
- Potential value upside from active management of the portfolio
- An increased dividend target of 6.00 pence per share for the year to 31 December 2015<sup>1</sup>
- 7%–8% target IRR on IPO issue price
- Internally managed fund with an experienced PPP/PFI in-house management team
- Strong governance model and alignment of interests between the management team and shareholders. In addition to a base remuneration the management team is remunerated by long and short-term incentive plans that prioritise total shareholder returns and net asset value per share growth, and is not compensated based on assets under management.
- The ordinary shares are eligible for inclusion in PEPs and ISAs (subject to applicable subscription limits), provided that they have been acquired by purchase in the market. The ordinary shares are also permissible assets for SIPPs.

## FINANCIAL AND OPERATIONAL HIGHLIGHTS

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For the six months ended 30 June 2015

- An increase in Net Asset Value “NAV” on an investment basis (“Investment Basis NAV”) to £470.26 million as at 30 June 2015 (£465.29 million – 31 December 2014).
- Investment Basis NAV per share of 110.4 pence as at 30 June 2015 (109.2 pence – 31 December 2014), which represents an increase of 1.07%.

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<sup>1</sup> These are targets only and not profit forecasts. There can be no assurance that these targets will be met.

- 2014 final dividend of 2.88 pence per share paid on 3 July 2015, resulting in a total dividend payment of 5.76 pence per share for the year ended 31 December 2014 which was in line with target.
- The Board is pleased to announce that it has increased its 2015 dividend target from 5.76 pence per share to 6.00 pence per share which represents an increase of 4.2%.
- 2015 interim dividend of 3.00 pence per share declared today; to be paid on 29 October 2015.
- An annualised Ongoing Charge ratio of 0.97% (0.98% at 31 December 2014) which we believe continues to be the lowest in the UK listed infrastructure sector.
- Total shareholder return since listing in December 2011 to 30 June 2015 of 42.31%<sup>2</sup> equating to a compound annual growth rate ('CAGR') of 10.54%.
- Shares continue to trade at a premium to Investment Basis NAV, and stood at a premium of 11.2% as at 30 June 2015.
- Portfolio performance and cash receipts were ahead of the business plan and underlying financial models.
- International Financial Reporting Standards "IFRS" NAV of £470.4 million as at 30 June 2015 (£466.3 million – 31 December 2014).
- Net profit under IFRS of £16.3 million for the period ended 30 June 2015 (£18.3 million – 30 June 2014).
- The Company has an attractive pipeline of new investment opportunities consisting of both new development opportunities and operational PPP assets in a range of countries with stable governments.
- Additional equity of £39.4 million committed and / or invested in the first half of 2015, with a further £11.7 million announced after that date.
- At 30 June 2015 the Group had a total cash balance of £50.87 million<sup>3</sup> and total borrowings outstanding of £45.22 million equating to a net cash balance of £5.65 million.
- Weighted average discount rate of 8.06% at 30 June 2015 compared with 8.21% at 31 December 2014.
- Successful transition of Avon & Somerset Police Headquarters (UK) and Mersey Care Mental Health Hospital (UK) from construction to operational status, and Northern Territory Secure Facilities (Australia) from ramp up phase towards the stable operational phase.
- Demand for PPP infrastructure assets remains strong with demand exceeding supply in most markets. This trend is expected to impact valuations favourably, but to make accretive secondary acquisitions more challenging to secure. Primary opportunities continue to be relatively attractive.

## CHAIRMAN'S STATEMENT

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Dear Shareholder,

I am pleased to introduce this report on the performance of your Company in the half year to 30 June 2015.

The assets have performed well in the six months and generated cash flows ahead of our expectations. Your management team have worked diligently and through actions taken have generated a further GBP 13.3 million of value from the portfolio. The total portfolio value growth which includes the natural effect generated by the unwinding of the portfolio discount rate and the additional GBP 13.3 million from active asset management, was strong and amounted to GBP 30.6 million. However, we report in Sterling and the strength of the British currency has reduced our reported gains by GBP 17.9 million. The overall result from all drivers is an increase of 1.07% in NAV per share during the six month period.

I encourage you to read the Management Report for further detail.

I am also very pleased to report on behalf of the Board that the 2015 dividend target has been increased from 5.76 pence per share to 6.00 pence per share which represents an increase of 4.16%. In line with its increased target, the Board has declared today a 2015 interim dividend of 3.00 pence per share. These dividends will continue to be fully covered by operating cash flows.

Your Company has built up a diversified portfolio of assets located in "AAA" and "AA" rated countries such as Australia, Canada, Germany, Norway, UK and the US. The foreign exchange impact of so doing is mitigated by a hedging policy to protect dividend payments in the short term but the asset base, itself, is not hedged. Your Board consider both the strategy

<sup>2</sup> Based on share price at 30 June 2015 and after adding back dividends paid or declared since listing.

<sup>3</sup> In July 2015 the Group used up approx. £31.95 million from the total cash balance to finance the acquisition of the additional interest in the Northern Territory Secure Facilities project and to part finance the 2014 final dividend payment.

and the hedging policy regularly and believe them to be in the long term best interests of shareholders despite the significant adverse impact currency has had on the Companies results for these six months.

During the half year we made and/or announced the acquisition of two further stakes and made a scheduled equity injection into an existing asset which totalled approximately £39.4 million. A further acquisition with a value of approximately £11.7 million was announced subsequent to the period end. All of these transactions are value accretive and demonstrate the ability of the management team to find value in a market that continues to be highly competitive. In addition to these activities, the management team has been actively pursuing new primary and secondary opportunities in our key markets.

At the AGM in April shareholders voted overwhelmingly with 100% of the votes cast in favour of the Continuation Motion. The Board and management appreciate the support given for their work and will strive to justify the confidence shown. A further Continuation Motion will be put to shareholders in 2017 in accordance with the Articles.

The Management Report sets out a review of the markets for infrastructure projects and the demand for investments in the primary and secondary market. As world events like the continuing strife in the Middle East and Ukraine, risk of a Greek default and turbulence in the Chinese economy continue to cause stress in global markets your Board believes that your Company's stable cash flows, generated from its diversified portfolio, will continue to be attractive and that further investment opportunities will present themselves.

David Richardson

**Chairman**

BBGI SICAV S.A.

27 August 2015

## INVESTMENT PORTFOLIO

→ Additional equity of £39.4 million committed and / or invested in the first half of 2015

### Portfolio Summary

	Equity stake		Equity stake
<b><u>Availability Roads &amp; Bridges</u></b>		<b><u>Education</u></b>	
E18 Motorway, Norway	100.00%	Bedford Schools, UK	100.00%
Golden Ears Bridge, Canada	100.00%	Clackmannanshire Schools, UK	100.00%
Kicking Horse Canyon, Canada	50.00%	Cologne Schools, Germany	50.00%
M1 Westlink, UK	100.00%	Cologne-Rodenkirchen School, Germany	50.00%
M80 Motorway, UK	50.00%	Coventry Schools, UK	100.00%
Mersey Gateway Bridge <sup>4</sup> , UK	37.50%	East Down Colleges, UK	66.67%
Northeast Stoney Trail, Canada	100.00%	Frankfurt Schools, Germany	50.00%
Northwest Anthony Henday Drive, Canada	50.00%	Kent Schools, UK	50.00%
Ohio River Bridge – East End Crossing, US	33.33%	Lagan College, UK	100.00%
		Lisburn College, UK	100.00%
<b><u>Healthcare</u></b>		Scottish Borders Schools, UK	100.00%
Barking & Havering Clinics, UK	60.00%	Tor Bank School, UK	100.00%
Gloucester Royal Hospital, UK	50.00%		
Kelowna & Vernon Hospitals, Canada	50.00%	<b><u>Justice</u></b>	

<sup>4</sup> BBGI has 37.5% equity and subordinated debt subscription obligations in Mersey Gateway Bridge amounting to approximately £20 million to be paid in 2017. The project is included in the construction exposure calculation; however, the value is reduced by the discounted value of the future subscription obligation.

Liverpool & Sefton Clinics, UK <sup>5</sup>	53.33%	Avon & Somerset Police Headquarters, UK	64.93%
Mersey Care Mental Health Hospital, UK <sup>6</sup>	76.20%	Burg Prison, Germany	90.00%
North London Estates Partnerships, UK <sup>7</sup>	53.33%	Northern Territory Secure Facilities, Australia	50.00%
Royal Women's Hospital, Australia	100.00%	Victoria Prisons, Australia	100.00%
Women's College Hospital, Canada	100.00%		
<b>Other</b>			
		Fürst Wrede Military Base, Germany	50.00%
		Stoke-on-Trent & Staffordshire Fire and Rescue Service, UK	85.00%
		Unna Administrative Centre <sup>8</sup> , Germany	44.10%

As at 30 June 2015, BBGI's assets consisted of interests in 36 high-quality, availability-based, PPP/PFI infrastructure assets. The assets, in the roads and bridges, healthcare, education, justice and other services sectors, are located in Australia, Canada, Continental Europe, the UK and the US. 92% of the assets by value are operational, 3% in early-stage construction<sup>9</sup>; 5% are in late-stage construction and expected to become operational in H2 2015.

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

## REPORT OF THE MANAGEMENT BOARD

### BUSINESS REVIEW

We are pleased to report another successful six months for the Company in the period to 30 June 2015. The Company's portfolio of investments has performed well in the first half of the year, with cash flows ahead of the business plan, and the portfolio has enjoyed an up-lift in valuation due to active management, disciplined cost control and strong market demand for PPP infrastructure assets.

The favourable portfolio performance will allow the Company to meet its increased dividend target of 3.00 pence per share for the half year period, and 6.00 pence per share is expected for the full year period.

### Key Performance Indicators ("KPIs")

	31 Dec 13	31 Dec 14	30 June 15	Target
Dividends declared for the year / half year	5.50 pence per share	5.76 pence per share	3.00 pence per share	2013: 5.50 pence dividend per share achieved 2014: 5.76 pence dividend per share achieved 2015: 6.00 pence per share increased target
Investment Basis NAV	£449.25m	£465.29m	£470.26m	Stable growth

<sup>5</sup> 53.33% equity and 59.46% subordinated debt.

<sup>6</sup> 76.2% equity and 80.0% subordinated debt.

<sup>7</sup> 53.33% equity and 60% subordinated debt.

<sup>8</sup> Entitled to 100% of distributions.

<sup>9</sup> Early-stage construction assets will become operational in 2016 or 2017.

Growth in Investment Basis NAV per share in reporting period	2.04%	3.49%	1.07%	Stable and consistent NAV per share growth
Total Shareholder return in year / year to date (share price plus dividends per share)	15.7%	10.79%	0.75%	7% to 8% on the £1 IPO issue price
Total Shareholder return since listing in December 2011 <sup>10</sup> (share price plus dividends per share)	29.0%	41.25%	42.31%	7% to 8% per annum on the £1 IPO issue price
Ongoing Charges Percentage	1.11%	0.98%	0.97% <sup>11</sup>	Seek to minimize ongoing charge over time
Weighted average discount rate	8.39%	8.21%	8.06%	To reflect the risk associated with the underlying investments
Weighted average PPP/PFI concession life	24.6 years	24.2 years	23.9 years	Maintain / renew the longevity of the portfolio
Weighted average portfolio debt maturity	23.2 years	21.3 years	20.9 years	Maintain long-term financing of the portfolio
Five largest investments as a percentage of the portfolio by value	51%	40%	38%	Maintain portfolio diversification
Largest investment as a percentage of the portfolio by value	17% (Golden Ears Bridge)	13% (Golden Ears Bridge)	13% (Golden Ears Bridge)	To be less than 20% at time of acquisition
Inflation correlation of the portfolio (+/- 1%)	Not reported	Not reported	Approx. 0.55%	To maintain a strong correlation

## Investment Performance

The Company's share price, after taking into account the ex-dividend effect, has remained stable and has maintained a strong premium to the Investment Basis NAV per share over the period. We continue to believe that a key benefit of the portfolio is the high quality cash flows that are derived from long-term government and government backed contracts. As a result, the portfolio performance is largely uncorrelated to the many wider economic factors which may cause market volatility in other sectors.

The share price closed on 30 June 2015, at £1.2275, which represents a total shareholder return since listing on 21 December 2011 to 30 June 2015 of 42.31% equating to a CAGR of 10.54% since IPO. The return per share on Investment Basis NAV for the reporting period was 3.74%.

The shares traded at a strong premium to NAV throughout the six-month period in a range from £1.2050 to £1.2675. The Investment Basis NAV per share at 30 June 2015 was 110.4 pence.

## Acquisitions

Despite an increasingly competitive environment, the Company has enjoyed a good start to 2015 and has been successful in growing the portfolio on attractive terms, albeit at a more subdued pace than in recent periods. In June 2015, the Company announced two follow-on acquisitions with a total value of approx. £37.3 million. The further 30% interest in Avon & Somerset Police Headquarters in the UK completed in June 2015. The remaining 50% interest in the Northern Territory Secure Facilities in Australia completed in early July, subsequent to the end of the reporting period, and is therefore not reflected in these results. Both of these stakes were acquired on a negotiated basis from co-shareholders without having to engage in auction processes, which are expensive and can create an environment where the risk of overpaying is increased. In February the Company also made a £2.1 million initial equity injection into the Mersey Care Mental Health project.

<sup>10</sup> Based on share price at 30 June 2015 and after adding back dividends paid or declared since listing.

<sup>11</sup> The Ongoing Charge percentage shown for 30 June 2015 is based on an annualised calculation.

Subsequently on 29 July 2015 BBGI announced the acquisition, from John Graham Holdings Limited, of 100% of the equity and subordinated debt interests in two educational PPP projects, Belfast Metropolitan College and North West Regional College, in Northern Ireland for a total consideration of approx. £11.7 million. The acquisition of these projects was also done on a negotiated basis without having to engage in an auction process.

Belfast Metropolitan College is an educational campus comprising two five-storey teaching facilities and a two-storey engineering facility with associated car parking and a landscaped courtyard. North West Regional College is a four-storey teaching facility located in Londonderry providing state of the art information, communications and education technology for 1,100 students in the fields of business, computing, tourism and hospitality.

Both projects are operational. The concessions run until August 2027 and January 2026 respectively. Upon completion, which is subject to obtaining necessary contractual consents under the projects documents, BBGI will receive availability payments during the concession periods from the governing bodies of each of Belfast Metropolitan College and North West Regional College.

## Hedging

The Company is exposed to foreign exchange movements on future portfolio distributions denominated in Australian dollars (AUD), Canadian dollars (CAD), Euros (EUR), Norwegian kroner (NOK) and US dollars (USD). An in-depth review of hedging strategy is carried out on an annual basis. While the Company tries to mitigate the impacts of foreign currency movements on the NAV by hedging a portion of the expected distributions coming from the portfolio over the next four years, it would not be economical to fully immunise the portfolio against any NAV changes due to foreign exchange movements.

At 30 June 2015, 56% of the portfolio by value has cash flows denominated in currencies other than Sterling. The Management Board has implemented a policy of using forward contracts to hedge a portion of its anticipated foreign currency cash flows. The Company seeks to provide protection for Sterling dividends that the Company aims to pay on the ordinary shares over the next four years, in order to reduce the risk of currency fluctuations and the volatility of returns that may result from such currency exposure. 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 does not currently hedge the future Euro cash flows, as it currently forecasts that these cash flows will continue to be used to cover the Group's running costs which are largely Euro denominated.

## Financing

At 30 June 2015 the Group had a cash balance of £50.87 million with £45.22 million drawn under the credit facility, representing a net cash position after borrowings of £5.65 million.

A significant part of the £50.87 million cash balance was held to cover post balance sheet commitments of approx. £31.95 million due for payment in early July 2015, notably to finance the acquisition of the remaining 50% in the Northern Territory Secure Facilities project and part financing of the 2014 final dividend payment.

### Credit 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 provides the possibility of allowing the Company to increase the facility to £180 million. 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.

The larger facility gives BBGI the ability to complete larger portfolio transactions or acquisitions from multiple vendors more quickly.

As at 30 June 2015 the amount utilised under the facility was £66.20 million, of which £20.98 million was utilised to cover three letters of credit and the remaining £45.22 million was drawn to provide bridge financing for project acquisitions.

## Tap issue

The Company has the ability to allot up to 10% of its issued share capital via tap issues in order to finance further acquisitions. The Company does not use structural gearing.

## Project Financing

Apart from the Royal Women's Hospital and Northern Territory Secure Facilities, the individual PPP/PFI projects in the BBGI portfolio all have long-term amortising debt in place which does not need to be refinanced. The Royal Women's Hospital has one tranche of debt which needs to be refinanced between 2017 and 2021. The Northern Territory Secure Facilities asset has a refinancing need in October 2016 when the senior debt facilities expire.

Women's College Hospital has long term amortising debt in place, but it is expected that this will be refinanced sometime after construction completion in March 2016 and before July 2019 when there is an increase in the lending margin and a cash sweep in favour of the lenders, both of which act as an incentive to encourage refinancing. The valuation used for Women's College Hospital therefore assumes that the project will be refinanced during this period.

Management will actively seek to refinance where it believes it can result in a project value uplift.

As at 30 June 2015, the weighted average PPP project concession length remaining was 23.9 years and the weighted average portfolio debt maturity was 20.9 years. Debt financing at the project entity level is structured in a way that provides no recourse to the Company.

## Dividends

A final dividend for 2014 was announced on 30 April 2015 and was paid on 3 July 2015. Together with the 2014 interim dividend paid in October 2014 the total dividend for the year ended 31 December 2014 amounted to 5.76 pence per share.

The Board is pleased to announce that it has resolved to increase its 2015 dividend target from 5.76 pence per share to 6.00 pence per share which represents an increase of 4.2%.

In line with its increased target the Board has declared today a 2015 interim dividend of 3.00 pence per share; to be paid on 29 October 2015.

## Market Developments

A key theme among investors remains the search for high quality income, particularly from uncorrelated asset classes. This has made PPP infrastructure a very desirable asset class in all the regions where BBGI is active.

In the current market environment, yields on many asset classes such as gilts, government bonds and cash deposits remain close to historically low levels. There is very strong demand from both established and new investors to the sector, bidding aggressively for PPP assets because of the attractive returns they generate. Demand for infrastructure investments continues to exceed supply and is resulting in significant upward pressure on pricing. While this is positive for BBGI's portfolio valuation, it makes it more challenging to find accretive transactions.

## North America

### Canada

The most attractive markets for infrastructure investment combine strong growth potential and high levels of investment, with stable business environments, supported by strong political commitment. Canada is seen as the standard-bearer for good practice in this regard, with dedicated provincial infrastructure units and a strong project pipeline.

2015 is shaping up to be another good year for the Canadian PPP market, with a number of projects announced or planned in a variety of sectors. The Canadian market continues to deliver an impressive and transparent pipeline of greenfield opportunities within a strongly supportive political environment. It also contains an emerging secondary market and there is a large range of project sizes.

BBGI has six Canadian projects and has been active in pursuing both primary and secondary opportunities in the Canadian market. The Canadian secondary market is expected to remain active in 2015 and 2016 as a number of projects developed over the last couple of years come into operation. Many of the projects which were developed over the last 3-5 years had prohibitions on re-sales until after construction completion. It is expected that the equity interest in some of these projects may soon start to trade as these prohibitions lapse.



## US

The US provides one of the largest infrastructure markets globally, with a substantial requirement for private investment. It is estimated that USD 3.6 trillion in infrastructure spending will be required in the US by 2020.

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

Despite its promise, there are still growing pains within the US market and some high profile PPP projects have been cancelled in the last twelve months. Nonetheless, the US has seen an influx of global PPP players keen to develop and expand this potentially vast market. Slowly but surely, political support for the PPP delivery model is gaining traction and projects are advancing.

BBGI's investment in the Ohio River Bridge PPP project gives it a very important beachhead in the expanding US market. To date this is one of a handful of availability-based transport projects to be delivered in the US using PPP. The Company is hopeful that the knowledge and exposure gained from the Ohio River Bridge transaction will help position the Company favourably for more opportunities in this developing but important market.

## Continental Europe

2014 was an encouraging year for the European PPP market, and 2015 is also shaping up to be a strong year. During 2014 the aggregate value of PPP transactions which reached financial close in the European market totalled EUR 18.7 billion, a 15% increase over 2013. 82 PPP transactions closed, including 11 large transactions (i.e. transactions in excess of EUR 500 million). While the UK was the most active market (see below), Germany, Belgium and Netherlands all had decent transaction volumes.

Germany has emerged as one of the most promising PPP markets in Europe with two large transactions completed in 2014 (the A7 Borsesholm-Hamburg motorway and the university hospital of Schleswig-Holstein), and in April the federal government announced plans to procure EUR 7 billion of new road projects under the PPP model.

The German initiative will see 10 new PPPs – including road expansion, renovation and greenfield projects – delivered under 30-year availability-based contracts. These projects will involve the construction of around 600 km of motorway with an investment volume of EUR 7 billion. BBGI currently has six concessions in Germany and is excited about the potential prospects offered by this market. We believe that synergies from our existing assets in Germany, and our German language skills, will help us grow in this market.

Another promising PPP market where BBGI is well positioned to participate in an attractive deal flow is Norway. In April, the government of Norway committed to invest NOK 130 billion (EUR 15 billion) in the delivery of up to eight major road PPPs. The government has so far procured only three highway projects as PPPs of which BBGI is the sole owner of E18. We are optimistic that our early involvement in this growing market may help us secure future investment opportunities.

Ireland, the Netherlands and Slovakia are other European markets that are showing promise and may provide potential investment opportunities. BBGI will continue to monitor these markets and consider opportunities on a selective basis.

## Australia & New Zealand

With a mature and continuing PPP market, Australian PPP deal flow has recently strengthened after a slight contraction in the wake of the financial crisis. The need for significant private investment in the nation's infrastructure (highlighted in the recent Australian Infrastructure Audit) is anticipated to result in the emergence of a variety of innovative funding and financing models.

The project pipeline in Australia remains strong. Prisons, healthcare and transport infrastructure projects remain a focus. BBGI is also excited to have completed one of only two secondary PPP asset purchases in the Australian market so far in 2015, when it increased its interest in Northern Territory Secure Facilities from 50% to 100%.

Another promising market is New Zealand. The central government has plans to invest New Zealand dollars (NZD) 46.6 billion, equivalent to GBP 20.3 billion, into infrastructure over the next 10 years, according to a sector update released by the New Zealand Treasury Department in 2014.



## United Kingdom

The UK remained the largest PPP market in Europe both in terms of value and number of projects in 2014. 24 transactions closed for a value of about EUR 6.6 billion.

Negative media coverage and anti-private finance opinions in the former Coalition government have reduced enthusiasm for private finance, thus making the near term pipeline less attractive and certainly well below pre-financial crisis levels. However, innovative and adaptive PPP models in Scotland, combined with recent announcements regarding a renewed focus on infrastructure investment, will hopefully result in improvements in the current UK market conditions over time.

## Market Opportunities

BBGI's investment policy is to invest in infrastructure projects that have predominantly been developed under PPP or similar procurement models. BBGI makes investments mainly at the operational phase but also looks at construction stage assets.

As a global investor in PPP projects, BBGI benefits from diversification and is not overly exposed to the activity in any one PPP market. The Company continues to look proactively for further acquisitions and development opportunities in the North America, Australia/New Zealand, the UK and Northern Europe, which meet its investment criteria and its stated return objectives.

The investment climate for PPP assets that meet the Company's acquisition strategy continues to be very competitive but we believe value accretive opportunities are still available in the current market, albeit not at the same frequency as in past periods.

The Management Board believes there are certain segments of the market where there is a current imbalance, with more investment capital targeted towards the particular market segment than attractive investment opportunities, which impacts pricing and valuation.

As an example, there have been portfolios or larger single assets that have been offered for sale via professional auction processes. These portfolios or larger assets have attracted significant attention not only from established PPP investors, but also new entrants who are attracted to the larger equity requirements and instant critical mass offered by the larger investment volume. In this increasingly competitive environment, vendors are requiring prospective purchasers to price in potential life-cycle savings, aggressive tax structures, portfolio efficiencies and other upsides that may not be realised. BBGI has selectively participated in these auction processes, but has been unsuccessful, as we have not been prepared to pay the same elevated prices as some others.

Instead, we have chosen to focus on opportunities where we believe we have a strategic advantage and can achieve more attractive pricing. These opportunities include the following situations:

- Participating in projects at bid stage or during construction where the potential returns are higher
- Acquiring stakes from co-shareholders where our knowledge of the asset allows us to transact quickly and efficiently
- Pursuing off-market transactions where vendors may wish to avoid a formal auction process
- Pursuing transactions in markets outside the UK that are less competitive
- Acquiring stakes where we can achieve certain operational efficiencies
- Pursuing transactions where speed and execution certainty are of paramount importance

In this competitive landscape, we believe the benefits of our internal management structure will become more and more apparent. As BBGI has no external manager, there are no fees paid based on the size of the portfolio and no acquisition fees and, as a result, we will not be persuaded to grow unless the growth is beneficial to shareholders. The motivation of the Management Board is directly aligned with that of the shareholders. We will not pursue growth for growth's sake and will not be encouraged to make wayward investment decisions due to the allure of increased management fees or acquisition fees. We will remain disciplined and will make acquisitions on a selective and opportunistic basis. BBGI considers this alignment of interests an important differentiating factor.

While the Management Board expects the market for secondary infrastructure assets to remain competitive and the upward pressure on pricing to continue, we are optimistic there will still be attractive opportunities for growth, albeit less frequent and harder to find.

## Primary Investment Activity – bidding on new PPP projects

As our portfolio grows, we will continue to add construction exposure when appropriate. As a number of senior members of

our team have experience managing PPP bids and seeing assets through the construction phase, we believe some exposure (less than 25%) can be attractive. We will ensure the dividend target is not compromised, but see this as an opportunity to increase the NAV over time.

In the last six months, 3% of BBGI's portfolio has successfully transitioned from the construction phase and 8% from ramp up towards the stable operational phase. This transition has created value for shareholders that we would like to replicate, by once again selectively adding some projects in construction.

As the Company has successfully transitioned projects from the construction to the operational phase, we have been actively building our pipeline of development opportunities (primary investments) to replace those projects that have become operational.

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

- consortiums are attracted to BBGI because of our extensive project credentials that can assist with the shortlisting process;
- having a financial partner is a pre-requisite for some construction companies so they can avoid consolidating the project company debt onto the balance sheet of the parent company;
- BBGI is a long term investor which is attractive to government counter parties; and
- BBGI is considered a reliable source of liquidity should a construction partner decide to sell in the future.

2015 has so far been a busy period for the Company in terms of primary development activity and building a pipeline for future investments.

- BBGI is a member of one of three consortiums selected to develop a bid for the North Commuter Parkway and Traffic Bridge project consisting of two new arterial roadways and a new river crossing located in Saskatoon, Saskatchewan, Canada;
- BBGI is a member of one of three consortiums invited to submit a proposal to design, build, finance and operate a 7.6km extension to the Capital Integration transit project in Winnipeg, Manitoba, Canada;
- BBGI is a member of one of four consortiums invited to submit a proposal to design, build, finance and operate the new D4 motorway and R7 Expressway part of the Bratislava ring road, Slovakia;
- BBGI has joined three separate consortiums formed to pursue three major transport infrastructure projects in North America; and
- BBGI is supporting a consortium to pursue a social infrastructure project in Germany.

These primary investment opportunities are considered attractive to the Management Board because they are typically well priced on a risk adjusted basis. Nevertheless, each opportunity will be subject to detailed due diligence on a case-by-case basis. Further information on construction risk can be obtained from the Company's prospectus which is available on the Company's website.

There is no certainty that BBGI will get the chance to acquire interests in any of the above mentioned projects and we will keep the market informed on developments as they progress over the next 18 months.

We remain optimistic about BBGI's prospects for 2015 and believe that the Company remains attractive to those investors seeking access to long-term, stable, inflation-linked cash flows from stable, highly rated government counterparties.

## Risks and Uncertainties

The principal risks faced by the Company, and the controls and strategies used to mitigate those risks, have not materially changed since those set out in detail in the 31 December 2014 annual report and in the Company's latest prospectus dated 26 November 2013. These risks are expected to remain relevant to the Company for the next six months of its financial year.

Foreign exchange exposure, although an inherent risk of holding a global portfolio of assets, continues to be closely monitored by the Management Board. Various stress tests have been carried out to assess the Company's ability to pay its target dividend under a range of scenarios. Refer to the Valuation Section of this report for further detail and the outcome of these tests.

The Management Board uses certain macroeconomic assumptions when forecasting future cash flows as part of the portfolio valuation exercise. The Management Board appreciates that such assumptions, although tested by a third party reviewer, and based on sound methodologies and latest available market data, are estimates and as such are not necessarily representative of future economic outcomes. As a result, the Management Board carries out stress tests on these assumptions in order to assess the impact on the NAV under a range of scenarios. Refer to the Valuation Section of this report for further detail and the outcome of these tests.

The Company continues to monitor the OECD's Base Erosion Profit Shifting (BEPS) project and any potential impact it may have on the sector. The BEPS project is still at the consultative stage with the OECD due to publish final guidance on certain areas in September / October 2015. It is too early to determine what effect, if any, these recommendations could have on the Company's cash flow if implemented.

## VALUATION

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

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

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

### Macro-economic assumptions

End of period	31-Dec-15	31-Dec-16	31-Dec-17	Long term
<b>UK</b>				
Indexation (%)	1.75	2.75	2.75	2.75
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Corporate Tax (%)	20.0	20.0	20.0	20.0
<b>Canada</b>				
Indexation (%) (1)	1.00/1.35	2.00/2.35	2.00/2.35	2.00/2.35
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Corporate Tax (%) (2)	25.0/26.0/26.5	25.0/26.0/26.5	25.0/26.0/26.5	25.0/26.0/26.5
GBP/CAD as at 30 June 2015 (3)	1.942	1.942	1.942	1.942
<b>Australia</b>				
Indexation (%) (4)	1.50	2.50	2.50	2.50
Deposit Interest Rate (%) (5)	4.00/5.00	4.00/5.00	4.00/5.00	4.00/5.00
SPC Corporate Tax (%)	30.0	30.0	30.0	30.0
GBP/AUD as at 30 June 2015 (3)	2.053	2.053	2.053	2.053
<b>Germany</b>				
Indexation (%)	1.00	2.00	2.00	2.00
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Corporate Tax (%) (6)	15.8	15.8	15.8	15.8
GBP/EUR as at 30 June 2015 (3)	1.417	1.417	1.417	1.417
<b>Norway</b>				
Indexation (%) (7)	1.94	2.94	2.94	2.94

Deposit Interest Rate (%)	1.8	2.5	4.0	4.0
SPC Corporate Tax (%)	27.0	27.0	27.0	27.0
GBP/NOK as at 30 June 2015 (3)	12.413	12.413	12.413	12.413
<b>USA</b>				
Indexation (%)	1.50	2.50	2.50	2.50
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Federal Tax / Indiana State Tax (%)	35.0 / 4.2	35.0 / 4.2	35.0 / 4.2	35.0 / 4.2
GBP/USD as at 30 June 2015 (3)	1.572	1.572	1.572	1.572

<sup>(1)</sup> All Canadian projects have a 2.0% indexation factor with the exception of Northeast Stoney Trail and Northwest Anthony Henday Drive, which have a slightly different indexation factor derived from a basket of regional labour, consumer price index (CPI) and commodity indices.

<sup>(2)</sup> Tax rate is 25% in Alberta, 26% in British Columbia and 26.5% in Ontario.

<sup>(3)</sup> As published on [www.oanda.com](http://www.oanda.com).

<sup>(4)</sup> Long term CPI 2.50% / Long term LPI 3.50%.

<sup>(5)</sup> Cash on Debt Service Reserve Accounts and Maintenance Service Reserve Accounts can be invested on a six-monthly basis. Other funds are deposited on a shorter term.

<sup>(6)</sup> Including Solidarity charge, excluding Trade tax which varies between communities.

<sup>(7)</sup> Indexation of revenue based on basket of four specific indices.

### 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 will 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 correctly and, where such costs are not fixed, that they are in line with 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.

Over the six month period from 31 December 2014 to 30 June 2015, the Company's Investment Basis NAV increased from £465.29 million to £470.26 million. The increase in NAV per share from 109.2 pence to 110.4 pence or 1.07 % is primarily a result of the key drivers listed below.

The table below presents the different drivers for the change in the NAV.

<b>Investment Basis NAV movement 31 December 2014 to 30 June 2015</b>	<b>£ million</b>
Net Asset Value at 31 December 2014	465.3
Other net assets at 31 December 2014 <sup>(1)</sup>	(10.4)
Portfolio value at 31 December 2014	454.9
Acquisitions	7.8
Distributions from projects <sup>(2)</sup>	(19.4)
Change in discount rate <sup>(3)</sup>	7.6
Change in foreign exchange	(17.9)
Rebased opening value at 31 December 2014	433.1
Growth on rebased valuation	30.6
Portfolio value at 30 June 2015	463.7
Other net assets at 30 June 2015 <sup>(1)</sup>	6.6
Net Asset Value at 30 June 2015	470.3

<sup>(1)</sup> These figures represent the net assets of the Group's consolidated subsidiaries as at 31 December 2014 and 30 June 2015 after excluding the project investments. The figure as at 30 June 2015 includes a liability of £9.5 million equating to the cash amount of the 2014 final dividend which was paid on 3 July 2015.

<sup>(2)</sup> While distributions from projects reduce the portfolio value they do not impact the NAV. The reduction in the portfolio value is offset by the receipt of cash at the consolidated subsidiary level, resulting in an increase in other net assets.

<sup>(3)</sup> Of which £1.1 million resulted from the successful transition of Avon & Somerset Police Headquarters (UK) and Mersey Care Mental Health Hospital (UK) from construction to operational status, and Northern Territory Secure Facilities (Australia) from ramp up phase towards the stable operational phase.

## Key drivers for NAV growth

### Growth based on rebased valuation

BBGI benefits from a comparatively young portfolio with an average concession life of 23.9 years, including some project entities in construction.

As the Company moves closer to forecast project dividend payment dates, the time value of those cash flows on a net present value basis increases, resulting from “unwinding of discount”. The portfolio value growth from unwinding of this discount<sup>12</sup> during the first half of the year was approximately £17.3 million or 3.72% on a NAV per share basis.

The total rebased growth of the portfolio value in the first 6 months of the year was £30.6 million or 6.58% on a NAV per share basis. The difference, £13.3 million, or 2.86% on a NAV per share basis, above the anticipated growth from unwinding of discount, represents the value enhancements across the portfolio through active management, which include amongst others:

- Lower costs achieved on some projects
- Earlier than forecasted extraction of cash
- Updated independent valuation of residual values of some LIFT properties
- A more favourable tax status on two assets
- Updated refinancing assumptions to reflect current market conditions for two assets

The Company recognised an additional GBP 1.1 million growth in the NAV by bringing certain projects from construction to operational status or towards the stable operational status. The net effect of inflation, against modelled assumptions, on the portfolio value has been negative.

### Discount rates and sensitivity

A moderate decrease in discount rates as a result of (i) the reduced risks associated with some investments coming out of construction and (ii) a small reduction in the market rate for stable operational projects mirroring the continuing trend of more available capital for PPP infrastructure investments and a market where the supply side has not kept pace with the increased demand. This decrease in discount rates has resulted in a NAV uplift of £7.6 million in the first half of 2015.

The discount rates used for individual assets range between 7.65% and 10.50%. The weighted average rate is approximately 8.06% (8.21% at 31 December 2014). The decrease in the average discount rate reflects primarily the movement of some assets from construction to operational phase or their repositioning into a more stable operational phase and the associated reduction in discount rates for those projects and, secondly, the continuing trend of an increased competitive pressure on secondary market prices. More investment capital, both in the listed and unlisted infrastructure secondary market, is pursuing PPP/PFI assets; additionally, where auctions are used, these have become more specialised and competitive. BBGI was able to source all assets in the period to date either from buying co-shareholder stakes or entering into negotiated transactions.

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

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

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<sup>12</sup> After adjusting for the timing of distributions received and the timing of acquisitions made.

<b>Discount Rate Sensitivity<sup>1</sup></b>	<b>Change in Net Asset Value 30 June 2015</b>
Increase by 1% to 9.06%	£(43.0) million, i.e. (9.1)%
Decrease by 1% to 7.06%	£50.4 million, i.e. 10.7%

<sup>1</sup> Based on the average discount rate of 8.06%

## Foreign exchange and sensitivity

BBGI values its portfolio of assets by discounting anticipated future cash flows. The present value of these cash flows are converted to Sterling at either the hedged rate, for a predetermined percentage of cash flows forecast to be received over the next 4 years, or at the closing rate for unhedged future cash flows. Although the closing rate is the correct conversion rate to use, it is not necessarily representative of future exchange rates as it reflects a specific point in time.

Other than the four year contracted hedge rates, the Company has used the following exchange rates to value the portfolio.

	F/X rates as of 31 December 2014	F/X rates as of 30 June 2015
GBP/AUD	1.904	2.053
GBP/CAD	1.806	1.942
GBP/EUR	1.278	1.417
GBP/NOK	11.564	12.413
GBP/USD	1.553	1.572

A significant proportion of the Company's underlying investments are denominated in currencies other than Sterling. The Company maintains its accounts, prepares the valuation and pays distributions in Sterling. Accordingly, fluctuations in exchange rates between Sterling and the relevant local currencies will affect the value of the Company's underlying investments. During the first six months of 2015 the decline of the AUD, CAD, USD, NOK and the EUR against Sterling accounted for a GBP 17.9 million adverse movement in the portfolio value.

The following table shows the sensitivity of the Net Asset Value to a change in foreign exchange rates.

<b>Foreign Exchange Sensitivity</b>	<b>Change in Net Asset Value 30 June 2015</b>
Increase by 10% <sup>1</sup>	£(20.9) million, i.e. (4.4)%
Decrease by 10% <sup>1</sup>	£25.6 million, i.e. 5.4%

<sup>1</sup> Sensitivity in comparison to the foreign exchange rates at 30 June 2015 and taking into account the hedges in place, derived by applying a 10% increase or decrease to the rate GBP/foreign currency.

As part of the Company's ongoing monitoring of foreign exchange exposure, and in consideration of current foreign exchange developments, BBGI has undertaken additional foreign exchange scenario analysis to further stress test the ability of the Company to pay dividends at the increased dividend target of 6.00 pence per share:

### Scenario assumptions

- consider a further 15% depreciation of exchange rates (from the 30 June 2015 rates referred to above), for the 25 years until 2041; after such time, cash flows are more erratic and are therefore ignored for this analysis;
- no issuance of scrip shares and no further acquisitions;
- the excess cash in one period is not brought forward to the next period i.e. no cash smoothing, meaning dividends can only be paid from cash received from project distributions in the period under analysis;
- assumes 100% ownership of NTSF (acquisition of the remaining 50% interest completed in July 2015).

## Outcome

Under the above scenario, with the exception of years 2037 and 2039, the dividend profile is covered by the distributions from the portfolio in the years through to 2041.

While the foreign exchange rates have created a considerable headwind for the Company in the first half of 2015, the Management Board believes that significant benefits persist from having an international portfolio. It is the view of the Management Board that such fluctuations in value, as a direct consequence of foreign exchange movements, are an inherent part of holding an international portfolio of assets. There will be periods where the global nature of the BBGI portfolio produces positive foreign exchange impacts on valuation and other times when the reverse is true. Additionally, the downside risk is in the long term partially mitigated by having exposure to a number of different currencies including the Australian dollar, Canadian dollar, US dollar, Euro and Norwegian kroner, all of which can provide diversification benefits.

Overall, the Management Board believes that with the current hedging program in place, the global nature of the portfolio produces benefits (geographic diversification, no undue reliance on one market, increased counterparty diversification, reduced competition outside the UK, etc.) which are greater than the potential downsides. The Company enjoys the diversification benefit of having a variety of strong government counterparties and is not dependent on one primary government for its cash flows. In addition, BBGI has exposure to different international markets which can counter balance one another if activity levels or policies change in one particular market.

### Inflation sensitivity

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

<b>Inflation Sensitivity</b>	<b>Change in Net Asset Value 30 June 2015</b>
Increase by 1% <sup>1</sup>	£32.1 million, i.e. 6.8%
Decrease by 1% <sup>1</sup>	£(27.5) million, i.e. (5.8)%

<sup>1</sup> Compared to the assumptions as set out in the macroeconomic assumptions above.

Due to the current low inflationary environment BBGI has undertaken additional inflationary scenario analysis in order to further stress test its ability to pay dividends at the increased dividend target of 6.00 pence per share:

- **Scenario 1:** Base case as per table above;
- **Scenario 2:** 0% inflation for the 5 next years, reverting back to base case long term assumptions for the remaining 20 years until 2041; after such time, cash flows are more erratic and are therefore ignored for this analysis;

### Scenario assumptions

- no issuance of scrip shares and no further acquisitions;
- the excess cash in one period is not brought forward to the next period i.e. no cash smoothing meaning dividends can only be paid from cash received from project distributions in the period under analysis;
- assumes 100% ownership of NTSF (acquisition of the remaining 50% interest completed in July 2015).

Under Scenario 1, with the exception of years 2037 and 2039, the dividend profile is covered by the distributions from the portfolio in the years through to 2041.

Under Scenario 2, with the exception of years 2037 and 2039, the dividend profile is covered by the distributions from the portfolio in the years through to 2041.

### Deposit rate sensitivity

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

<b>Deposit Rate Sensitivity</b>	<b>Change in Net Asset Value 30 June 2015</b>
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Increase by 1% <sup>1</sup>	£11.3 million, i.e. 2.4%
Decrease by 1% <sup>1</sup>	£(11.3) million, i.e. (2.4)%

<sup>1</sup>Sensitivity in comparison to the assumptions as set out in the macroeconomic assumptions above.

### Lifecycle costs sensitivity

Of the 36 projects in the portfolio, 12 project companies retain the lifecycle obligations. The remaining 24 projects have this obligation passed down to the sub-contractor. The table below demonstrates the impact of a change in lifecycle costs.

Lifecycle costs Sensitivity	Change in Net Asset Value 30 June 2015
Increase by 10% <sup>1</sup>	£(10.0) million, i.e. (2.1)%
Decrease by 10% <sup>1</sup>	£10.1 million, i.e. 2.1%

<sup>1</sup>Sensitivity applied to the 12 projects retaining the lifecycle obligation, i.e. the obligation is not passed down to the sub-contractor. These projects represent 50% of the total portfolio value as at 30 June 2015.

The Management and Supervisory Boards have approved the net asset value calculation on an Investment Basis as at 30 June 2015.

## FINANCIAL RESULTS

The condensed consolidated interim financial statements of the Group for the six months ended 30 June 2015 can be found after the Report of the Réviseur d'Entreprises agréé.

### Basis of Accounting

The Company has prepared its financial statements under IFRS. In accordance with IFRS 10, IFRS 12 and IAS 27 the Company (an Investment Entity) does not consolidate certain subsidiaries, in a similar manner to the Company's pro forma investment basis tables which are included in this section of the Report of the Management Board. As a result the Company no longer consolidates its investments in PPP assets that are subsidiaries on a line-by-line basis, but instead recognises them as investments at fair value through profit or loss.

### Income and Costs

#### Pro forma Income Statement

	Six months to 30 Jun 15 £ million	Six months to 30 Jun 14 £ million
Fair value movements <sup>1</sup>	20.1	21.0
Other income <sup>2</sup>	1.3	0.2
Total profit before corporate costs	21.4	21.2
Corporate costs (excluding income tax) <sup>3</sup>	(3.7)	(3.0)
Foreign exchange gains/(losses) <sup>4</sup>	(1.0)	0.3
Net earnings before taxes	16.7	18.5
Taxes	(0.4)	(0.2)
<b>Net Earnings</b>	<b>16.3</b>	<b>18.3</b>
<b>Basic earnings per share (pence)</b>	<b>3.83</b>	<b>4.29</b>

<sup>1</sup>Fair value movements include the effect of foreign exchange movements on the portfolio value.

<sup>2</sup>Other income includes both realised and unrealised gains on foreign exchange derivatives amounting to approx. £1.2 million.

<sup>3</sup>Includes non-recoverable VAT. Refer to the Corporate cost analysis below for further details on the composition.

<sup>4</sup>Relates to foreign exchange gains/(losses) on cash and working capital in the period.

The table below is prepared on an accrual basis.

	Six months to 30 Jun 15 £ million	Six months to 30 Jun 14 £ million
<b>Corporate costs</b>		
Staff costs <sup>1</sup>	1.5	1.3
Office and administration	0.5	0.5
Professional fees	0.3	0.3
Fees to non-executive directors	0.1	0.1
Interest expense and other finance cost	0.9	0.4
Acquisition-related costs <sup>2</sup>	0.3	0.3
Taxes (including non-recoverable VAT)	0.5	0.3
<b>Corporate costs</b>	<b>4.1</b>	<b>3.2</b>

<sup>1</sup> The Company is an internally managed AIF with no fees payable to external managers. At 30 June 2015 the Company had 15 employees and a portfolio of 36 projects, compared to 30 June 2014 where it had 13 employees and a portfolio of 35 projects.

<sup>2</sup> The acquisition-related costs are made up of due diligence, legal and other costs directly related to the acquisitions made during the period to date. The figure includes unsuccessful bid costs of approximately £0.08 million in the period.

## Ongoing Charges

The “Ongoing Charges” ratio was prepared in accordance with the AIC-recommended methodology. The ratio represents the reduction in shareholder returns as a result of recurring operational expenses incurred in managing BBGI.

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

	Annualised 2015 £ million	2014 £ million
<b>Ongoing charges</b>		
Ongoing charges <sup>1</sup>	4.5	4.5
Average undiluted net asset value	469.5	456.9
<b>Ongoing charges (%)</b>	<b>0.97%</b>	<b>0.98%</b>

<sup>1</sup>The annualised ongoing charges ratio was calculated using the AIC methodology and excludes all non-recurring costs i.e. costs of acquisition/disposal of investments, financing charges and gains/losses arising on investments. The ongoing charges include an accrual for payments to certain members of the management team under the Short-Term Incentive Plan (“STIP”) and the Long-Term Incentive Plan (“LTIP”).

## Balance Sheet

### Pro forma Balance Sheet

	30 Jun 15			31 Dec 14		
	Investment Basis £ million	Adjust £ million	Consolidated IFRS £ million	Investment Basis £ million	Adjust £ million	Consolidated IFRS £ million
Investments at fair value	463.7	3.2	466.9	454.9	-	454.9
Adjustments to investments	3.6	(2.9)	0.7	0.3	-	0.3
Other assets and liabilities (net) <sup>1</sup>	(3.0)	(3.0)	(6.0)	(2.6)	(0.2)	(2.8)
Net cash/(borrowings) <sup>2</sup>	6.0	0.7	6.7	12.7	0.1	12.8
Fair value of derivative financial instruments <sup>3</sup>	-	2.1	2.1	-	1.1	1.1
<b>Net assets attributable to ordinary shares</b>	<b>470.3</b>	<b>0.1</b>	<b>470.4</b>	<b>465.3</b>	<b>1.0</b>	<b>466.3</b>

<sup>1</sup> Under IFRS the value of the shares to be issued on 3 July 2015 as a result of the 2014 final dividend was recorded as a payable of £2.8 million. The same scrip dividend has no impact on the Investment Basis NAV as at 30 June 2015.

<sup>2</sup> Under IFRS, debt issuance costs are presented as a reduction from borrowings.

<sup>3</sup> Under IFRS, the forward currency contracts are presented at fair value.

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

### Summary Net Corporate Cash Flow

	Period ended 30 June 2015	Period ended 30 June 2014
	£ million	£ million
Distributions from investments <sup>1</sup>	19.4	18.9
Net cash outflow from operating activities before finance costs <sup>2</sup>	(3.0)	(2.9)
Cash outflow from finance costs (net)	(0.5)	(0.1)
<b>Net cash flow</b>	<b>15.9</b>	<b>15.9</b>

<sup>1</sup> Portfolio performance and cash receipts were ahead of the business plan and underlying financial models.

<sup>2</sup> Cash outflow resulting from all consolidated Group level corporate costs paid in the period ending 30 June 2015.

## MANAGEMENT BOARD RESPONSIBILITIES STATEMENT

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

- The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union; and
- The Chairman's Statement and the Report of the Management Board meet the requirements of an interim management report and include a fair review of the information required by:
  - DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events during the first six months and description of the principal risks and uncertainties for the remaining six months of the year; and
  - DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Luxembourg, 27 August 2015

Signatures

**Duncan Ball**, Co-CEO

**Frank Schramm**, Co-CEO

**Michael Denny**, Director

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

**Report of the Réviseur d'Entreprises agréé  
on the review of the condensed consolidated interim financial information**

## Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of BBGI SICAV S.A. ("the Company") as at 30 June 2015, the condensed consolidated interim income statement, the condensed consolidated interim statements of comprehensive income, of changes in equity and of cash flows for the six month period then ended, and notes to the condensed consolidated interim financial information ("the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as adopted, for Luxembourg, by the Institut des Réviseurs d'Entreprises. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2015 is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU.

Luxembourg, 27 August 2015

KPMG Luxembourg  
Société coopérative  
Cabinet de révision agréé

Frauke Oddone

## CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT (UNAUDITED)

	Note	Six months ended 30 June 2015	Six months ended 30 June 2014
<i>In thousands of Pounds Sterling</i>			
<b>Continuing operations</b>			
Income from investments at fair value through profit or loss	7	20,145	20,922
Other operating income	6	1,259	378
<b>Operating income</b>		<b>21,404</b>	21,300
Administration expenses	4	(2,449)	(2,282)
Other operating expenses	5	(1,339)	(336)
<b>Operating expenses</b>		<b>(3,788)</b>	(2,618)
<b>Results from operating activities</b>		<b>17,616</b>	18,682
Finance cost	11	(888)	(367)
Finance income		7	131
<b>Net finance result</b>		<b>(881)</b>	(236)

Profit before tax		16,735	18,446
Tax expense	8	(414)	(192)
<b>Profit from continuing operations</b>		<b>16,321</b>	<b>18,254</b>
<b>Profit from continuing operations attributable to owners of the Company</b>		<b>16,321</b>	<b>18,254</b>
<b>Earnings per share</b>			
Basic earnings per share (pence)	10	3.83	4.29
Diluted earnings per share (pence)	10	3.83	4.29

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

#### CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Note	Six months ended 30 June 2015	Six months ended 30 June 2014
<i>In thousands of Pounds Sterling</i>			
Profit for the period		16,321	18,254
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period attributable to the owners of the Company</b>		<b>16,321</b>	<b>18,254</b>

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

#### CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	Note	30 June 2015	31 December 2014 (Audited)
<i>In thousands of Pounds Sterling</i>			
<b>Assets</b>			
Property plant and equipment		70	66
Investments at fair value through profit or loss	7	466,876	454,940
Derivative financial instruments	13	2,102	1,132
<b>Non-current assets</b>		<b>469,048</b>	<b>456,138</b>
Trade and other receivables	15	823	577
Other current assets	9	9,224	71
Cash and cash equivalents		50,874	25,264
<b>Current assets</b>		<b>60,921</b>	<b>25,912</b>
<b>Total assets</b>		<b>529,969</b>	<b>482,050</b>
<b>Equity</b>			
Share capital	9	434,818	434,818
Translation reserves	9	(597)	(597)
Retained earnings		36,170	32,115
<b>Equity attributable to owners of the Company</b>		<b>470,391</b>	<b>466,336</b>
<b>Liabilities</b>			
Loans and borrowings	11	44,265	-
<b>Non-current liabilities</b>		<b>44,265</b>	<b>-</b>
Loans and borrowings	11	90	12,526

Trade payables		67	107
Other payables	12	14,717	2,713
Tax liabilities	8	439	368
<b>Current liabilities</b>		<b>15,313</b>	<b>15,714</b>
<b>Total liabilities</b>		<b>59,578</b>	<b>15,714</b>
<b>Total equity and liabilities</b>		<b>529,969</b>	<b>482,050</b>
<b>Net asset value attributable to the owners of the Company</b>	9	<b>470,391</b>	<b>466,336</b>
<b>Net asset value per ordinary share (pence)</b>	9	<b>110.44</b>	<b>109.49</b>

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

#### CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

		Share capital	Translation reserves	Retained earnings	Total equity
<i>In thousands of Pounds Sterling</i>	<b>Note</b>				
<b>Balance at 1 January 2015 (Audited)</b>	9	<b>434,818</b>	<b>(597)</b>	<b>32,115</b>	<b>466,336</b>
<b>Total comprehensive income for the six months ended 30 June 2015</b>					
Profit for the period	10	-	-	<b>16,321</b>	<b>16,321</b>
<b>Total comprehensive income for the period</b>	10	-	-	<b>16,321</b>	<b>16,321</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>					
Dividends	9	-	-	<b>(12,266)</b>	<b>(12,266)</b>
<b>Balance at 30 June 2015</b>	9	<b>434,818</b>	<b>(597)</b>	<b>36,170</b>	<b>470,391</b>

		Share capital	Translation reserves	Retained earnings	Total equity
<i>In thousands of Pounds Sterling</i>	<b>Note</b>				
<b>Balance at 1 January 2014 (Audited)</b>	9	<b>434,322</b>	<b>(597)</b>	<b>17,005</b>	<b>450,730</b>
<b>Total comprehensive income for the six months ended 30 June 2014</b>					
Profit for the period	10	-	-	<b>18,254</b>	<b>18,254</b>
<b>Total comprehensive income for the period</b>	10	-	-	<b>18,254</b>	<b>18,254</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>					
Cash dividends	9	-	-	<b>(11,301)</b>	<b>(11,301)</b>
Scrip dividends	9	402	-	<b>(402)</b>	-
Share issuance costs	9	94	-	-	94
<b>Balance at 30 June 2014</b>	9	<b>434,818</b>	<b>(597)</b>	<b>23,556</b>	<b>457,777</b>

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

#### CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

		Six months ended 30 June 2015	Six months ended 30 June 2014
<i>In thousands of Pounds Sterling</i>	<b>Note</b>		
<b>Cash flows from operating activities</b>			
Profit/(Loss) for the period		<b>16,321</b>	<b>18,254</b>

Adjustments for:			
Depreciation		10	9
Net finance cost (income)		881	236
Income from investments at fair value through profit or loss	7	(20,145)	(20,922)
Change in fair value of derivative financial instruments	6	(1,155)	(63)
Income tax expense		414	192
Foreign currency exchange loss/(gain)	5	1,056	(314)
		(2,618)	(2,608)
Changes in:			
- Trade and other receivables		158	338
- Other assets		(10)	(11)
- Trade and other payables		155	(785)
<b>Cash generated from operating activities</b>		<b>(2,315)</b>	<b>(3,066)</b>
Finance cost paid		(532)	(207)
Interest received		7	131
Realised gain on derivative financial instruments	13	185	345
Taxes paid		(343)	(193)
<b>Net cash flows from operating activities</b>		<b>(2,998)</b>	<b>(2,990)</b>
<b>Cash flows from investing activities</b>			
Acquisition of/additional investments in investments at fair value through profit or loss	7	(7,748)	(108,340)
Distributions received from investments at fair value through profit or loss	7	15,553	18,510
Acquisition of other equipment		(14)	-
Acquisition of other receivables		-	(2,048)
<b>Net cash flows from investing activities</b>		<b>7,791</b>	<b>(91,878)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of loans and borrowings	11	32,562	6,159
Loan issuance cost	11	(1,255)	(67)
Dividends paid	9	-	(11,301)
Dividend payment sent to depositary	9	(9,143)	-
<b>Net cash flows from financing activities</b>		<b>22,164</b>	<b>(5,209)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>26,957</b>	<b>(100,077)</b>
Impact of foreign currency exchange gain/(loss) on cash and cash equivalents		(1,347)	412
Cash and cash equivalents at 1 January		25,264	126,321
Cash and cash equivalents at 30 June		50,874	26,656

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the six months ended 30 June 2015

### 1. Reporting entity

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

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



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

As at 30 June 2015, the Group employed 15 staff (30 June 2014: 13 staff).

### Reporting period

The Company’s reporting period runs from 1 January to 31 December each year. The Company’s condensed consolidated interim statement of financial position, condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income and condensed consolidated interim statement of cash flows include comparative figures as at 31 December 2014 or for the six months ended 30 June 2014.

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

These condensed consolidated interim financial statements were approved by the Management Board on 26 August 2015, and by the Supervisory Board on 27 August 2015.

## 2. Basis of preparation

### Statement of compliance

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

All items presented in the condensed consolidated interim income statement and condensed consolidated interim statement of comprehensive income respectively, are considered ‘capital’ in nature.

### Changes in accounting policy

The accounting policies, measurement and valuation principles applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its annual consolidated financial statements as of and for the year ended 31 December 2014.

### Basis of measurement

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

### Functional and presentation currency

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

### Use of estimates and judgments

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

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

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

### **The Company as an Investment entity**

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

- a) *Obtains funds from one or more investors for the purpose of providing those investors with investment management services*

The Group is internally managed with management focused solely on managing those funds received from its shareholders in order to maximise investment income/returns.

- b) *Commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both*

The investment objectives of the Company are to:

- provide investors with secure and highly predictable long-term cash flows whilst actively managing the investment portfolio with the intention of maximising the capital value over the long term.
- target a dividend of 6.00 pence per share per annum. The Company will aim to increase this distribution progressively over the longer term.
- target an IRR in the region of 7% to 8% on the £1 IPO issue price of its ordinary shares, to be achieved over the longer term via active management, to enhance the value of existing investments.

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

- c) *measures and evaluates performance of substantially all of its investments on a fair value basis*

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

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

- a) *it has more than one investment* – as at 30 June 2015, the Company has 36 PPP/PFI investments;
- b) *it has more than one investor* – the Company is listed on the London Stock Exchange with its shares held by a broad pool of investors;
- c) *it has investors that are not related parties of the entity* – other than those shares held by the Supervisory Board and Management Board directors, and certain other employees, all remaining shares in issue (more than 99%) are held by non-related parties of the Company.
- d) *it has ownership interests in the form of equity or similar interests* – the Group holds interests in PPP/PFI projects in the form of equity interests, subordinated debt and similar instruments.

### **Fair valuation of financial assets and financial liabilities**

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

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

is the same one used in previous reporting periods. The assumptions used in the valuation methodology are included in detail in Note 13 to the condensed consolidated interim financial statements.

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

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

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

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

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

### Going concern basis of accounting

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

## 3. Segment reporting

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

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

Segment information for the six months ended 30 June 2015 is presented below:

	UK	Mainland Europe	Australia	North America	Holding Activities	Total Group
<i>In thousands of Pounds Sterling</i>						
Income from FVPL investments	17,727	(1,963)	3,534	847	-	20,145
Administration expenses	-	-	-	-	(2,449)	(2,449)
Other operating expense – (net)	-	-	-	-	(80)	(80)
Results from operating activities	17,727	(1,963)	3,534	847	(2,529)	17,616
Finance cost	-	-	-	-	(888)	(888)

Finance income	-	-	-	-	7	7
Tax expense	-	-	-	-	(414)	(414)
Profit or loss from continuing operations	17,727	(1,963)	3,534	847	(3,824)	16,321

The losses incurred in mainland Europe over the period to 30 June 2015 were for the most part due to adverse foreign exchange movements

Segment information for the six months ended 30 June 2014 is presented below:

	UK	Mainland Europe	Australia	North America	Holding Activities	Total Group
<i>In thousands of Pounds Sterling</i>						
Income from FVPL investments	20,715	(1,217)	3,193	(1,769)	-	20,922
Administration expenses	-	-	-	-	(2,282)	(2,282)
Other operating income - (net)	-	-	-	-	42	42
Results from operating activities	20,715	(1,217)	3,193	(1,769)	(2,240)	18,682
Finance cost	-	-	-	-	(367)	(367)
Finance income	-	-	-	-	131	131
Tax expense	-	-	-	-	(192)	(192)
Profit or loss from continuing operations	20,715	(1,217)	3,193	(1,769)	(2,668)	18,254

For the six months ended 30 June 2014, the loss from continuing operations in North America includes a loss on foreign exchange translation of intercompany loans of approximately £2.3 million.

Segment information as at 30 June 2015 is presented below:

	UK	Mainland Europe	Australia	North America	Holding Activities	Total Group
<i>In thousands of Pounds Sterling</i>						
<b>Assets</b>						
FVPL investments	204,855	43,817	71,463	146,741	-	466,876
Other non-current assets	-	-	-	-	2,172	2,172
Current assets	-	-	-	-	60,921	60,921
Total assets	204,855	43,817	71,463	146,741	63,093	529,969
<b>Liabilities</b>						
Non-current	-	-	-	-	44,265	44,265
Current	-	-	-	-	15,313	15,313
Total liabilities	-	-	-	-	59,578	59,578

Segment information as at 31 December 2014 is presented below:

	UK	Mainland Europe	Australia	North America	Holding Activities	Total Group
<i>In thousands of Pounds Sterling</i>						
<b>Assets</b>						
FVPL investments	187,012	48,112	70,593	149,223	-	454,940
Other non-current assets	-	-	-	-	1,198	1,198
Current assets	-	-	-	-	25,912	25,912
Total assets	187,012	48,112	70,593	149,223	27,110	482,050

<b>Liabilities</b>						
Non-current	-	-	-	-	-	-
Current	-	-	-	-	15,714	15,714
<b>Total liabilities</b>	-	-	-	-	<b>15,714</b>	<b>15,714</b>

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

At 30 June 2015 the Group had a total cash balance of £50.87 million with £45.22 million drawn under the credit facility, representing a net cash position after borrowings of £5.65 million. A significant part of the total cash balance was held to cover commitments due in the week following 30 June 2015, notably to finance the acquisition of the remaining 50% in the Northern Territory Secure Facilities (“NTSF”) project (see Note 7) and part financing of the 2014 final dividend payment (see Note 9).

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

#### 4. Administration expenses

	Six months ended 30 June 2015	Six months ended 30 June 2014
<i>In thousands of Pounds Sterling</i>		
Personnel expenses	<b>1,484</b>	1,387
Legal and professional fees	<b>291</b>	337
Other expenses	<b>674</b>	558
	<b>2,449</b>	2,282

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

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

	Six months ended 30 June 2015	Six months ended 30 June 2014
<i>In thousands of Pounds Sterling</i>		
Audit fees	<b>73</b>	60
Audit related fees	-	88
Non-audit related fees	<b>15</b>	-
	<b>88</b>	148

#### 5. Other operating expenses

	Six months ended 30 June 2015	Six months ended 30 June 2014
<i>In thousands of Pounds Sterling</i>		
Acquisition-related costs	<b>283</b>	336
Foreign currency exchange loss	<b>1,056</b>	-
	<b>1,339</b>	336

## 6. Other operating income

	Six months ended 30 June 2015	Six months ended 30 June 2014
<i>In thousands of Pounds Sterling</i>		
Net gain on derivative financial instruments (see Note 13)	1,155	63
Other income	104	315
	<b>1,259</b>	<b>378</b>

The other income for the period ended 30 June 2014 includes foreign currency exchange gain of £314,000

## 7. FVPL investments

The movements of FVPL investments are as follows:

	30 June 2015	31 December 2014
<i>In thousands of Pounds Sterling</i>		
Balance at 1 January	454,940	324,051
Acquisitions of/additional investment in FVPL investments	7,748	117,560
Income from FVPL investments	20,145	46,400
Distributions received	(15,553)	(32,983)
Reclassification to other receivables/payables	(404)	(88)
	<b>466,876</b>	<b>454,940</b>

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

As at 30 June 2015 and 31 December 2014, loan and interest receivable from unconsolidated subsidiaries is embedded within the FVPL Investments.

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

Interest income, dividend income, project-related directors' fee income and other income, recorded under the accruals basis at the level of the consolidated subsidiaries for the period ended 30 June 2015, amounted to £14,815,000 (31 December 2014: £26,665,000). The associated cash flows from these items were taken into account when valuing the projects.

During the period ended 30 June 2015 the Company invested a further £2,078,000 into the Mersey Care Mental Health Hospital project.

In June 2015 the Company completed the acquisition of a further 30% interest in Avon & Somerset Police Headquarters in the UK.

Subsequent to 30 June 2015, the Company completed the acquisition of the remaining 50% interest in NTSF in Australia.

## 8. Taxes

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

The Company pays an annual subscription tax of 0.05% of its total net assets. For the six months ended 30 June 2015 BBGI SICAV S.A. incurred a subscription tax expense of £115,000 (30 June 2014: £112,000). The Company as a SICAV is not

subject to taxes on capital gains or income. All other consolidated companies are subject to taxation at the applicable rate in their respective jurisdictions.

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

## 9. Capital and reserves

### Share capital

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

	30 June 2015	31 December 2014
<i>In thousands of Pounds Sterling</i>		
Share capital as at 1 January	<b>434,818</b>	434,322
Share issuance expense credit	-	94
Share capital issued through scrip dividends	-	402
	<b>434,818</b>	434,818

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

	30 June 2015	31 December 2014
In issue at beginning of the period/year	<b>425,917</b>	425,574
Shares issued through scrip dividends	-	343
	<b>425,917</b>	425,917

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

### Translation reserve

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

### Dividends

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

	Six months ended 30 June 2015
<i>In thousands of Pounds Sterling except as otherwise stated</i>	
Final dividend of 2.88 pence per qualifying ordinary share – for the year ended 31 December 2014	<b>12,266</b>
	<b>12,266</b>

The 31 December 2014 final dividend was paid in July 2015. As of 30 June 2015, the dividend payable of £12,266,000 is included as part of other payables in the condensed consolidated interim statement of financial position (see Note 12). The value of the scrip election was £2,791,000, with the remaining amount of £9,475,000 paid in cash to those investors that did not elect for the scrip.

As of 30 June 2015, an advance of £9,143,000 was paid to Capita IRG Trustees Limited, the Company's depository, to cover dividend payments to depository interest shareholders. This advance is included as part of other current assets in the condensed consolidated interim balance sheet as of 30 June 2015.



The final dividend declared by the Company during the six months ended 30 June 2014 is as follows:

**Six months ended  
30 June 2014**

*In thousands of Pounds Sterling except as otherwise stated*

Final dividend of 2.75 pence per qualifying ordinary share – for the year ended 31 December 2013	11,703
	<b>11,703</b>

The final dividend declared and paid during the six months ended 30 June 2014 is composed of a cash dividend of £11,301,000 and a scrip dividend of £402,000.

## Net Asset Value

The consolidated net asset value and net asset value per share as at 30 June 2015, 31 December 2014 and 31 December 2013 are as follows:

**30 June 2015   31 December 2014   31 December 2013**

*In thousands of Pounds Sterling/pence*

Net asset value attributable to the owners of the Company	<b>470,391</b>	466,336	450,730
Net asset value per ordinary share (pence)	<b>110.44</b>	109.49	105.91

## 10. Earnings per share

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

**Six months ended  
30 June 2015                      Six months ended  
30 June 2014**

*In thousands of Pounds Sterling/shares*

Profit attributable to ordinary shareholders	<b>16,321</b>	18,254
Weighted average number of ordinary shares in issue	<b>425,917</b>	425,917
<b>Basic and diluted earnings per share (in pence)</b>	<b>3.83</b>	4.29

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

**Six months ended  
30 June 2015                      Six months ended  
30 June 2014**

*In thousands of shares*

Shares outstanding as at 1 January	<b>425,917</b>	425,574
Effect of scrip dividends issued	-	343
<b>Weighted average – outstanding shares</b>	<b>425,917</b>	425,917

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.

## 11. Loans and borrowings

In January 2015, the Company secured a new three year revolving credit facility of £80 million from ING Bank and KfW IPEX-Bank (£80 million Revolving Credit Facility) to replace the £35 million Revolving Credit Facility, which was due to

expire in July 2015. At the date of settlement of the £35 million Revolving Credit Facility, any outstanding amount was assumed by the new lenders (i.e. no actual cash payment was made to the old lenders and no actual cash from the drawdown was received from the new lenders). 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 the possibility to increase the facility to £180 million. The term of the facility is three years, expiring in January 2018. The borrowing margin is 185 basis points over LIBOR.

As at 30 June 2015, the Company had utilised £66.2 million of the £80 million Revolving Credit Facility, of which £21.0 million was being used to cover three letters of credit.

As at 31 December 2014, the Company had utilised £33.7 million of the £35 million Revolving Credit Facility, of which £21.0 million was being used to cover three letters of credit.

The interest payable under the credit facility as of 30 June 2015 amount to £90,000 (31 December 2014: £12,000)

The unamortised debt issuance cost related to the above-mentioned credit facilities amounted to £956,000 as at 30 June 2015 (31 December 2014: £145,000). The unamortised debt issuance cost is netted against the amount withdrawn from the credit facility.

The finance cost incurred in relation to the above-mentioned loans for the six months ended 30 June 2015 amounted to £888,000 (30 June 2014: £367,000). The total finance cost includes the full amortisation of the remaining unamortised debt issue cost for the old facility and the amortisation of the debt issue cost for the new facility totalling to £297,000.

## Pledges and collaterals

As at 31 December 2014, the Group pledged all the current and future assets held within BBGI Management HoldCo S.à r.l., BBGI Investments S.C.A., BBGI Holding Limited, BBGI Inv S.à r.l. and the Company in relation to the revolving credit facility.

As of 30 June 2015 and as a result of the refinancing described above, the Group has pledged all the current and future assets held within BBGI CanHoldco Inc., in addition to the pledged assets as at 31 December 2014.

## 12. Other payables

Other payables are composed of the following:

	30 June 2015	31 December 2014
<i>In thousands of Pounds Sterling</i>		
Dividend payable (see Note 9)	12,266	-
Accruals	2,357	2,609
Others	94	104
	<b>14,717</b>	<b>2,713</b>

## 13. Fair value measurements

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

	30 June 2015				
	Fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount	Fair value
<i>In thousands of Pounds Sterling</i>					
<b>Assets</b>					

FVPL investments	466,876	-	-	466,876	466,876
Trade and other receivables	-	823	-	823	823
Cash and cash equivalents	50,874	-	-	50,874	50,874
Derivative financial instruments	2,102	-	-	2,102	2,102
	519,852	823	-	520,675	520,675
<b>Liabilities</b>					
Loans and borrowings	-	-	44,355	44,355	45,311
Trade payables	-	-	67	67	67
Other payables	-	-	14,717	14,717	14,717
	-	-	59,139	59,139	60,095

#### 31 December 2014

	Fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount	Fair value
<i>In thousands of Pounds Sterling</i>					
<b>Assets</b>					
FVPL investments	454,940	-	-	454,940	454,940
Trade and other receivables	-	577	-	577	577
Cash and cash equivalents	25,264	-	-	25,264	25,264
Derivative financial instruments	1,132	-	-	1,132	1,132
	481,336	577	-	481,913	481,913
<b>Liabilities</b>					
Loans and borrowings	-	-	12,526	12,526	12,671
Trade payables	-	-	107	107	107
Other payables	-	-	2,713	2,713	2,713
	-	-	15,346	15,346	15,491

#### FVPL investments

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

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

#### Macro-economic assumptions

End of period	31-Dec-15	31-Dec-16	31-Dec-17	Long term
<b>UK</b>				
Indexation (%)	1.75	2.75	2.75	2.75
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Corporate Tax (%)	20.0	20.0	20.0	20.0
<b>Canada</b>				
Indexation (%) (1)	1.00/1.35	2.00/2.35	2.00/2.35	2.00/2.35
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Corporate Tax (%) (2)	25.0/26.0/26.5	25.0/26.0/26.5	25.0/26.0/26.5	25.0/26.0/26.5
GBP/CAD as at 30 June 2015 (3)	1.942	1.942	1.942	1.942
<b>Australia</b>				
Indexation (%) (4)	1.50	2.50	2.50	2.50
Deposit Interest Rate (%) (5)	4.00/5.00	4.00/5.00	4.00/5.00	4.00/5.00

SPC Corporate Tax (%)	30.0	30.0	30.0	30.0
GBP/AUD as at 30 June 2015 (3)	2.053	2.053	2.053	2.053
<b>Germany</b>				
Indexation (%)	1.00	2.00	2.00	2.00
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Corporate Tax (%) (6)	15.8	15.8	15.8	15.8
GBP/EUR as at 30 June 2015 (3)	1.417	1.417	1.417	1.417
<b>Norway</b>				
Indexation (%) (7)	1.94	2.94	2.94	2.94
Deposit Interest Rate (%)	1.8	2.5	4.0	4.0
SPC Corporate Tax (%)	27.0	27.0	27.0	27.0
GBP/NOK as at 30 June 2015 (3)	12.413	12.413	12.413	12.413
<b>USA</b>				
Indexation (%)	1.50	2.50	2.50	2.50
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Federal Tax / Indiana State Tax (%)	35.0 / 4.2	35.0 / 4.2	35.0 / 4.2	35.0 / 4.2
GBP/USD as at 30 June 2015 (3)	1.572	1.572	1.572	1.572

<sup>(1)</sup> All Canadian projects have a 2.0% indexation factor with the exception of Northeast Stoney Trail and Northwest Anthony Henday Drive, which have a slightly different indexation factor derived from a basket of regional labour, consumer price index (CPI) and commodity indices.

<sup>(2)</sup> Tax rate is 25% in Alberta, 26% in British Columbia and 26.5% in Ontario.

<sup>(3)</sup> As published on [www.oanda.com](http://www.oanda.com).

<sup>(4)</sup> Long term CPI 2.50% / Long term LPI 3.50%.

<sup>(5)</sup> Cash on Debt Service Reserve Account and Maintenance Service Reserve Account can be invested on a six-monthly basis. Other funds are deposited on a shorter term.

<sup>(6)</sup> Including Solidarity charge, excluding Trade tax which varies between communities.

<sup>(7)</sup> Indexation of revenue based on basket of four specific indices.

#### 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 consolidated 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 correctly 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 consolidated subsidiaries remain on track and are not terminated before their contractual expiry date.

A material change in the valuation assumptions above could have a significant impact on the reported fair values of such assets.

#### Discount rate sensitivity

The discount rates used for the valuation of individual assets range between 7.65 % and 10.50% which, on a weighted average basis, is approximately 8.06%. 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.

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

	Decrease by 1%		Increase by 1%	
	Equity	Profit or loss	Equity	Profit or loss
<i>Effects in thousands of Pounds Sterling</i>				

<b>30 June 2015</b>	<b>50,357</b>	<b>50,357</b>	<b>(43,009)</b>	<b>(43,009)</b>
31 December 2014	49,494	49,494	(42,239)	(42,239)

### Foreign exchange rate sensitivity

The following table shows the sensitivity of the FVPL investments due to a change in foreign exchange rates.

	Increase by 10% <sup>(1)</sup>		Decrease by 10% <sup>(1)</sup>	
	Equity	Profit or loss	Equity	Profit or loss
<i>Effects in thousands of Pounds Sterling</i>				
<b>30 June 2015</b>	<b>(20,926)</b>	<b>(20,926)</b>	<b>25,576</b>	<b>25,576</b>
31 December 2014	(22,260)	(22,260)	27,207	27,207

<sup>1</sup> 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

### 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:

	Increase by 1%		Decrease by 1%	
	Equity	Profit or loss	Equity	Profit or loss
<i>Effects in thousands of Pounds Sterling</i>				
<b>30 June 2015</b>	<b>32,120</b>	<b>32,120</b>	<b>(27,493)</b>	<b>(27,493)</b>
31 December 2014	31,262	31,262	(29,900)	(29,900)

### 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.

	Increase by 1%		Decrease by 1%	
	Equity	Profit or loss	Equity	Profit or loss
<i>Effects in thousands of Pounds Sterling</i>				
<b>30 June 2015</b>	<b>11,330</b>	<b>11,330</b>	<b>(11,312)</b>	<b>(11,312)</b>
31 December 2014	11,157	11,157	(10,838)	(10,838)

### Lifecycle costs sensitivity

Of the Group's 36 PPP/PFI projects, 12 project companies retain the lifecycle obligations. In the remaining 24 projects, this obligation is passed down to the sub-contractors. The table below demonstrates the impact of a change in lifecycle costs.

	Increase by 10%		Decrease by 10%	
	Equity	Profit or loss	Equity	Profit or loss
<i>Effects in thousands of Pounds Sterling</i>				
<b>30 June 2015</b>	<b>(10,022)</b>	<b>(10,022)</b>	<b>10,085</b>	<b>10,085</b>
31 December 2014	(11,537)	(11,537)	10,179	10,179

<sup>1</sup> Sensitivity applied to the 12 projects retaining the lifecycle obligation, i.e. not passed down to the sub-contractor. These projects represent 50% of the total value of FVPL investments as at 30 June 2015.

## Derivative financial instruments

The fair value of derivative financial instruments ("foreign exchange forwards") is calculated by discounting the difference between the contractual forward rate and the estimated forward exchange rates at the maturity of the forward contract. The foreign exchange forwards are fair valued periodically by counterparty banks. The fair value of derivative financial instruments as of 30 June 2015 amounted to £2,102,000 (31 December 2014: £1,132,000).

The unrealised gain on the valuation of foreign exchange forwards for the six months ended 30 June 2015 amounted to £970,000 (30 June 2014: £63,000). For the period ended 30 June 2015 the realised gain from these derivative financial instruments amounted to £185,000.

## Other items

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

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

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the grouping of assets/(liabilities) recognised at fair value under their respective levels as at 30 June 2015:

	Level 1	Level 2	Level 3	Total
<i>In thousands of Pounds Sterling</i>				
FVPL investment	-	-	466,876	466,876
Derivative financial asset/(liability)	-	2,102	-	2,102

The following table shows the grouping of assets/(liabilities) recognised at fair value in different levels as at 31 December 2014:

	Level 1	Level 2	Level 3	Total
<i>In thousands of Pounds Sterling</i>				
FVPL investment	-	-	454,940	454,940
Derivative financial asset/(liability)	-	1,132	-	1,132

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

	30 June 2015	31 December 2014
<i>In thousands of Pounds Sterling</i>		
Balance at 1 January	454,940	324,051
Acquisitions of/additional investment in FVPL investments	7,748	117,560
Income from FVPL investments	20,145	46,400
Distributions received	(15,553)	(32,983)
Reclassification to other receivables/payables	(404)	(88)
	466,876	454,940

The impact of unrealised foreign exchange gains or losses on the FVPL investments for the period ended 30 June 2015, amounted to £17.9 million loss (year ended 31 December 2014: £8.7 million loss).

## 14. Subsidiaries acquired

As a result of its acquisition of certain projects during the period, the Company has acquired/established the following legal entities which are considered unconsolidated subsidiaries:

SPCs	Project Name	Country of Incorporation	Effective Ownership Interest	Year Acquired/Established
Blue Light Partnership (ASP) NewCo 2 Limited	Avon and Somerset	UK	100%	2015
GT ASP Limited	Avon and Somerset	UK	100%	2015

Other than the above, no additional/new subsidiaries were acquired/established during the six month period ended 30 June 2015.

## 15. Related parties and key contracts

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

### Supervisory Board fees

The members of the Supervisory Board of the Company were entitled to a total of £70,000 in fees for the six months ended 30 June 2015 (30 June 2014: £70,000). There are no outstanding amounts due as at 30 June 2015.

### Directors' shareholding in the Company

	30 June 2015	31 December 2014
<i>In thousands of shares</i>		
David Richardson	155	155
Colin Maltby	102	102
Frank Schramm	176	176
Duncan Ball	176	176
Michael Denny	36	36
	<b>645</b>	<b>645</b>

### Remuneration of the Management Board

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

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

	30 June 2015	30 June 2014
<i>In thousands of Pounds Sterling</i>		
Short-term benefits	705	544
Other long-term benefits	301	103



### Receivable component of FVPL Investments

As at 30 June 2015, the loan receivable component of FVPL investments, which is included in the FVPL investments, amounted to £159,628,000 (31 December 2014: £161,285,000). The fixed interest charged on the receivables ranges from 3.95% to 13.5% per annum. The receivables have expected repayment dates ranging from 2017 to 2045.

### Trade and other receivables

As at 30 June 2015, trade and other receivables include a short-term receivable from two projects amounting to £733,000 (31 December 2014: £329,000). The remaining amount pertains to third-party receivables.

## 16. Subsequent events

The 31 December 2014 final dividend was paid in July 2015 (see Note 9). The value of the scrip election was £2,791,000, with the remaining amount of £9,475,000 paid in cash to those investors that did not elect for the scrip.

During July 2015, the Company completed the acquisition of the remaining 50% interest in NTSF in Australia.

During July 2015 BBGI announced the acquisition, from John Graham Holdings Limited, of 100% of the equity and subordinated debt interests in two educational PPP projects in Northern Ireland for a total consideration of approximately £11.7 million. Completion is subject to obtaining necessary consents under the projects documents.

## Cautionary Statement

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

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

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

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, liquidity, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document.

Subject to their legal and regulatory obligations, the Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

In addition, the Review Section may include target figures for future financial periods. Any such figures are targets only and are not forecasts.

This interim report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters that are significant to BBGI SICAV S.A. and its subsidiaries when viewed as a whole.