

29 August 2014

Interim Results for 6 months to 30 June 2014

BBGI SICAV S.A.

(formerly BILFINGER BERGER GLOBAL INFRASTRUCTURE SICAV S.A.)

(the “Company”/ “BBGI”)

HIGHLIGHTS

For the six months ended 30 June 2014

- A 1.55% increase in Net Asset Value on an investment basis (“Investment Basis NAV”) to £456.23 million as at 30 June 2014 (£449.25 million – 31 December 2013)
- Investment Basis NAV per share of 107.1 pence as at 30 June 2014 (105.6 pence – 31 December 2013), which represents an increase of 1.47%
- 2013 final dividend of 2.75 pence per share paid on 27 June 2014, resulting in a total dividend payment of 5.5 pence per share for the year ended 31 December 2013 which was in line with target
- 2014 interim dividend of 2.88 pence per share (a 4.73% increase from the 2.75 pence dividend paid in the same period last year) declared today and will be paid on 02 October 2014
- Intention that the final dividend for 2014 will also increase to 2.88 pence per share with the annual total dividend expected to be at least at 5.76 pence p.a. from 2015 onwards¹
- The Ongoing Charge ratio has fallen from 1.11% at 31 December 2013 to 0.98% annualised at 30 June 2014 being the lowest in the UK listed infrastructure sector
- Shares continue to trade at a premium to Investment Basis NAV, and stood at a premium of 11.6% as at 30 June 2014
- Total Shareholder return since listing in December 2011 to 30 June 2014 of 32.2%²
- The Company has completed nine primary acquisitions in the period under review as well as eight follow on acquisitions with a total value of £111.4 million
- 38% of these acquisitions by value have originated from vendors other than the Bilfinger Group
- Portfolio performance and cash receipts were slightly ahead of the business plan and underlying financial models
- International Financial Reporting Standards (IFRS) NAV of £457.8 million (£450.7 million – 31 December 2013)³
- Net profit under IFRS of £18.3 million for the period ended 30 June 2014 (£10.3 million, as restated - 30 June 2013)
- On 30 April 2014, the Company’s name changed to BBGI SICAV S.A.
- Further broadening of BBGI’s share register by a successful secondary institutional placing in April 2014 of 37,188,000 ordinary shares previously owned by Bilfinger SE to a diverse group of investors

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

² Based on share price at 30 June 2014 and after adding back dividends paid since listing.

³ During the year ended 31 December 2013, the Company opted to adopt early Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27), resulting in a restatement of 2013 interim results.

COMPANY OVERVIEW

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 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 has applied for authorisation 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 35 high quality PPP/PFI infrastructure assets with strong yield characteristics, contracted Government-backed revenue streams, inflation linked returns and long-term contracts.
- 84% of the assets by value are operational assets with a focus on social infrastructure and availability-based roads infrastructure.
- 39% of the assets by value are located in the UK, 29% in Canada, 16% in Australia, 4% in the United States and 12% in Continental Europe.
- 45% of assets by value are availability-based roads and the remainder social infrastructure assets.
- Stable cash flows with inflation protection characteristics.
- Potential value upside from active management of the portfolio.
- Minimum 5.76 pence per annum dividend expected⁴ from 2015 onwards.
- 7%-8% target IRR.
- 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. Management team are remunerated by long and short-term incentive plans that prioritise total shareholder returns, and are not compensated by 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.

⁴ These are targets only and not profit forecasts. There can be no assurance that these targets will be met.

CHAIRMAN'S STATEMENT

Dear Shareholder,

This has been a successful six months for your company. The full details are set out in the Report of the Management Board and I would especially emphasise the following:

- * BBGI has made 17 acquisitions including its first in the United States and another 6 to strengthen its positions in Australia and mainland Europe. The group now has a strong, geographically diverse, portfolio.
- * The internal management structure allows synergies as the company grows and has resulted in a highly competitive annualised ongoing charges percentage of 0.98%.
- * Strong cash flows and their predictability have given the Board the confidence to raise the interim dividend to 2.88p per share, a 4.7% increase, with the current intention that this will lead to a full year dividend of 5.76p per share.

In my statement for the year ended 31st December 2013 I indicated that we were in the process of reviewing the level and structure of management's remuneration. This exercise cannot be finalised until we are sure that the proposed structure is compatible with the AIFM status for which we have applied. I will update you when the remuneration review has been completed.

In September the residents of Scotland will vote on whether they wish to have full independence or remain part of the United Kingdom. A "yes" for independence could have a negative impact on the valuations placed on our Scottish assets totalling 13.6% of the portfolio and the directors are considering the implications for the company.

We do not anticipate that the downward pressure on yields available in the secondary marketplace will abate in the near term but your management team is firmly focussed on shareholder value and will continue to seek expansion opportunities that they believe will be value enhancing for the company.

David Richardson
Chairman
BBGI SICAV S.A.
28 August 2014

INVESTMENT PORTFOLIO

→ BBGI completed £111.4 million of acquisitions during the first half 2014

Portfolio Summary

	Equity stake		Equity stake
<u>Availability Roads</u>		<u>Education</u>	
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, UK	37.50%	East Down Colleges, UK	66.67%
North East 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, USA	33.33%	Lagan College, UK	100.00%
		Lisburn College, UK	100.00%
<u>Healthcare</u>		Scottish Borders Schools, UK	100.00%
Barking & Havering Clinics, UK	60.00%	Tor Bank School, UK	100.00%
North London Estate Partnerships, UK ⁵	53.33%		
Gloucester Royal Hospital, UK	50.00%	<u>Justice</u>	
Kelowna & Vernon Hospitals	50.00%	Burg Prison, Germany	90.00%
Liverpool & Sefton Clinics, UK ⁶	53.33%	Northern Territories Prisons, Australia ⁷	50.00%
Mersey Care Mental Health Hospital, UK ^{7, 8}	70.08%	Victoria Prisons, Australia	100.00%
Royal Women's Hospital, Australia	100.00%		
Women's College Hospital, Canada	100.00%	<u>Other</u>	
		Fürst Wrede Military Base, Germany	50.00%
		Stoke on Trent & Staffordshire Fire and Rescue Service, UK	85.00%
		Unna Administrative Centre ⁹ , Germany	44.10%

As at 30 June 2014, BBGI's assets consisted of interests in 35 high quality, availability-based, PPP/PFI infrastructure assets. The assets, in the transport, healthcare, education, justice, and other services sectors, are located in Australia, Canada, Continental Europe, the UK and the US. 84% of the assets by value are operational, 9% in early stage construction¹⁰; 7% are in late stage construction and expected to become operational in HY2 2014.

The concessions granted to project entities in the portfolio are predominantly granted 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/AAA for the US, by Moody's and Standard & Poors).

⁵ 53.33% equity and 60% sub debt.

⁶ 53.33% equity and 59.46% sub debt.

⁷ Construction scheduled to complete in 2014.

⁸ 70.08% equity and 70.0% sub debt. Post 30 June balance sheet date a further 12.5% of the equity and 10% of the sub-debt was acquired and announced on 24 July 2014.

⁹ Entitled to 100% of distributions.

¹⁰ Early stage construction assets will become operational in 2015, 2016 or 2017.

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 2014. The Company's portfolio of investments has performed well in the first half of the year with cash flows slightly ahead of expectation.

The favourable portfolio performance will allow the Company to increase its mid-year dividend from 2.75 pence per share to 2.88 pence per share (a 4.73% increase). The dividend will be paid on 02 October 2014 entirely from project level cash flows. More details are provided below.

Investment Performance

The Company's share price has performed well and has maintained a strong premium to net asset value per share on an investment basis 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 cause market volatility in other sectors.

The share price closed on 30 June 2014 at £1.195, which represents a total shareholder return of 3.66% in the first half of 2014 (vs 1.59% Total Return – FTSE All Share since 31 December 2013). The shares traded at a strong premium to net asset value throughout the six month period in a range from £1.15 to £1.22. The net asset value per share on an investment basis at 30 June 2014 was 107.1 pence. Total Shareholder return since listing on 21 December 2011 to 30 June 2014 was 32.15% which compares favourably with the Company's total return target.

Acquisitions

The Company has enjoyed a good start to 2014 and has been successful in growing the portfolio on attractive terms. The 17 separate interests acquired during the period provided greater diversification and lengthened the concession term of the portfolio. All of these stakes were acquired on a negotiated basis or from co-shareholders without having to engage in auction processes which are both expensive and bear the risk of overpaying.

As the portfolio grows in size, the benefits of the internal management structure become more evident with the on-going charge ratio expected to continue to decline.

The Company completed nine primary acquisitions as well as eight follow on acquisitions with a total value of £111.4 million as summarized below:

January

- BBGI completed the acquisition of a 33.33% interest in the Ohio River Bridge PPP project. This transaction is BBGI's first asset in the US. This is one of a handful of availability-based projects to be delivered in the US using PPP as a procurement method and the Company is excited to gain an early foothold in the promising US market. The project benefits from a very experienced and financially strong construction joint venture and has long term financing in place and is not subject to any refinancing risk.

February

- BBGI completed the acquisition of additional interests in three LIFT projects from Assura Group Limited. The interests acquired include equity and subordinated debt interests in Liverpool & Sefton Clinics, North London Estates Partnerships and Mersey Care Mental Health Hospital.

March

- BBGI signed and completed the acquisition of Bilfinger Group's equity and subordinated debt

subscription obligations of approx. £20 million, representing 37.5% of the equity and subordinated debt in Mersey Gateway Bridge. The subscription obligations are backed by a letter of credit using BBGI's credit facility. BBGI is excited to be involved in this critical piece of infrastructure being delivered under the new UK infrastructure investment programme. This acquisition is on accretive terms and was agreed without engaging in an auction process.

- BBGI completed the acquisition of a 50% interest in the Northern Territory Secure Facilities (NTSF) in Australia. NTSF is a new 1,000 bed correctional facility, located on a greenfield site near Darwin, Australia. The project is expected to become operational in H2 2014 and we expect some capital growth once the final stages of construction are completed later this year.

As in the case of Ohio River Bridge and Mersey Gateway Bridge investments the prospective returns on NTSF are attractive on a risk adjusted basis and are consistent with our policy of having some assets in construction which are expected to deliver NAV uplifts both before and on becoming operational.

April

- BBGI completed the acquisition of a 50% equity and loan note interest in four operational PPP Projects in Germany from Hochtief PPP Solutions GmbH.
- BBGI signed and completed the acquisition of an additional 6.67% equity and subordinated debt interest in two existing operational LIFT projects from Galliford Try Investments Limited. The two projects are the North London Estates Partnerships and the Liverpool and Sefton Clinics. Following this acquisition, BBGI owns more than 50% in these projects.

May

- BBGI completed the acquisition of 100% equity and subordinated debt interest in Lagan College, an operational long term PPP concession to build a school and partially refurbish and remodel an existing school building in Northern Ireland. Under the sale and purchase agreement BBGI has acquired from the Bilfinger Group 70% of the equity and subordinated debt in the project. Under the Graham Acquisition Agreement, BBGI has acquired the remaining 30% of the equity interest and subordinated debt in the project.

June

- BBGI completed the acquisition of 100% equity and loan note interests in DBFO -1 Road Service ("M1 Westlink") from the Bilfinger Group and Graham Investment Projects Limited. M1 Westlink is a long term concession to design, upgrade, finance and operate the M1 Westlink road scheme in Belfast, UK. The project commenced in April 2006 and required a significant amount of construction work to upgrade key sections of the existing road network. This consisted of approximately 60km of motorway and a short section of linking dual carriageway through the heart of Belfast. The project was completed approximately six months ahead of schedule in November 2009. The concession expires in 2036 and is availability-based with no volume risk.
- BBGI completed the acquisition of a further 41.2% equity interest in the E18 Roadway Project ("E18") in Norway from Sundt A.S. BBGI now owns 100% of the equity interest in E18. The project is a long term PPP concession contract to operate and maintain a new section of highway between Grimstad and Kristiansand in Norway. The 38km dual carriageway road opened in August 2009 and is part of the trunk road from Oslo to Kristiansand. It is a key element of the transport corridor between southern Norway and the Continent as well as an important connection between the two cities. The concession expires in 2034 and is availability-based with no volume risk.

All of the projects are availability-based with no volume risk. These projects are all supported by contracted, public sector-backed revenue streams, with inflation-protection characteristics.

The Avon & Somerset Police HQ is the sole remaining asset not yet transferred under the pipeline agreement with Bilfinger. Transfer is expected to complete in Q4 2014.

Hedging

The Company is exposed to foreign exchange movements on future portfolio distributions denominated in AUD, CAD, EUR, NOK and USD. An in-depth review of hedging strategy is carried out on an annual basis.

61% of the portfolio by value has cash flows denominated in currencies other than Pound 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 over the Pound sterling dividends that the Company aims to pay on the ordinary shares over the next 4 years, in order to reduce the risk of currency fluctuations and the volatility of returns that may result from such currency exposure. In April 2014 BBGI entered into a number of forward contracts in accordance with the Company's hedging policy on assets acquired since 1 December 2013. The Company intends to enter into additional hedge contracts in Q3 2014 to maintain the four year hedging programme. The Company does not currently hedge the future Euro cash flows as it is forecasted that these cash flows will continue to be used to cover the fund's running costs which are largely Euro denominated.

Financing

The Company had net cash of £20.5 million at 30 June 2014.

BBGI has a £35 million revolving credit facility and letter of credit option with three lenders (The Royal Bank of Scotland plc, National Australia Bank Limited and KfW IPEX-Bank GmbH) to finance acquisitions, to provide letters of credit for outstanding equity obligations or for working capital purposes.

As at 30 June 2014 the balance drawn under the facility was £27.2 million, of which £21.0 million was utilised for three letters of credit¹¹ and the remaining £6.2 million was drawn to provide bridge financing for project acquisitions.

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

Additionally, following shareholder approval at the April 2014 AGM, the Company is able to issue up to 10% of its issued share capital via tap issues in order to finance further acquisitions. The Company does not use structural gearing.

At 30 June 2014 the Company was not in breach of any of the covenants under the credit facility and the Company has operated and continues to operate comfortably within the covenant limits.

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

- a) Cancel the total commitments.
- b) Declare that all or part of the amounts drawn, together with accrued interest, and all other amounts accrued or outstanding under the agreement be immediately due and payable.

¹¹ In May 2014 BBGI signed and completed the acquisition of Bilfinger Group's equity and subordinated debt subscription obligations of approx. £20 million, representing 37.5% of equity and subordinated debt in Mersey Gateway Bridge which are backed by a letter of credit. In addition the Company has utilised the credit facility to cover two further letters of credit amounting to approx. £1.3m in total and relate to the Bedford Schools and Gloucester Royal Hospital projects.

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

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

As at 30 June 2014, the weighted average PPP project concession length remaining was 24.6 years and the weighted average portfolio debt maturity was 21.6 years. Debt financing at the project entity level is structured in a way that provides no recourse to the Company.

Dividends

On 27 June 2014, the Company paid a final dividend for the year ended 31 December 2013 of 2.75 pence per share, giving a total distribution per share of 5.5 pence for the year.

The Board is pleased to confirm its intention to pay an interim dividend of 2.88 pence per share for the period to 30 June 2014 which is scheduled for payment on 02 October 2014.

The 2014 interim distribution of 2.88 pence per share is above the target of 2.75 pence previously outlined by Management Board and is reflective of the continued strong performance of the underlying portfolio.

2014 and 2015 Full Year Distributions

The Management Board has established a minimum target for the year ending December 2014 of 5.76 pence per share providing additional guidance to investors as to the Company's future intentions. The targeted payments for the year ending 31 December 2014 would represent an increase of 4.7% on the previous annual distributions and exceed the Company's target dividend payment of at least 5.5% p.a. by reference to the Issue Price as set out in the Company's Prospectus dated 6 December 2011.

Name Change

After carrying out a rebranding exercise, the Company has been renamed BBGI SICAV S.A. A resolution to this effect was put to the shareholders and passed at the EGM on 30 April 2014. The stock exchange ticker for the Company continues to be BBGI.

AIFMD Update

The Company has applied for authorisation as an Alternative Investment Fund Manager (AIFM) in accordance with Chapter 2 of the law of 12 July 2013 on alternative investment fund managers.

Market Developments

While the supply of secondary investment opportunities has remained reasonably stable mainly due to auction processes with multiple assets, the number of prospective purchasers has increased resulting in significant upward pressure on pricing. There are a small number of large auctions in the market. Increasingly, investor attention has turned to the social infrastructure space, and particularly to operational PPPs. For investors pursuing conservative inflation-linked returns, operational PPPs, which do not involve construction risk, are still seen as an attractive asset class.

Mainland Europe

The first half of 2014 was a mixed bag for Europe's transport and social PPP sector. On the one hand, the financial close of major transport deals confirmed there is still strong interest amongst financial institutions and

development sponsors for viable projects.

On the other hand, the flow of new greenfield projects in western Europe is below historic levels. Those countries more traditionally inclined to procure infrastructure via PPPs have reduced spending in the sector.

There are a few countries bucking this trend. One country doing so is The Netherlands, which has a healthy pipeline of deals and is offering the most comprehensive set of opportunities in Europe, including the roads, waterways and social infrastructure sectors. The Dutch government has also created the National Investment Institution, which is seeking to bundle small PPPs together to make them more attractive to institutional investors. Additionally there are a number of projects in procurement in France and a couple of road projects in Germany.

In Scandinavia there are a handful of projects in procurement, and plans for several others.

The reasons for the reduced deal-flow are complex and multifaceted. There is, however, one over-riding and very obvious reason and that is the austerity measures being undertaken by European governments simply mean they cannot afford to spend as much on infrastructure at the current time, either solely through government borrowing or combining this with private sector investment. We therefore expect primary deal flow in Europe to remain subdued for at least the next 12 months.

United Kingdom

The opportunities in the UK for greenfield infrastructure investors are well below pre-financial crisis levels, but there still remain primary opportunities, albeit fewer of them. BBGI was pleased to participate in one of the most awaited transactions in the sector, the £600M Mersey Gateway PPP which reached financial close earlier this year. As one of the largest transport projects outside London in a decade, it is a landmark transaction for the Treasury as it is the first project to be supported by a UK Government Guaranteed Bond under the UK Guarantees programme. Hopefully this will become a catalyst for more projects in the future.

Overall the opportunities in the UK social infrastructure space are likely to be sparse in comparison to recent pipelines. Nonetheless, there are currently three social housing schemes in procurement; three schools projects in procurement and two others due to be procured soon; and three healthcare projects in procurement and another due to be procured.

Canada

2014 is shaping up to be a good year for the Canadian PPP market with a number of projects announced or planned in a variety of sectors. Within the Canadian PPP sector there is large range of projects sizes. Amongst the larger projects there are two multi-billion dollar bridge projects and at least one large hospital which are expected to be procured in 2014. While the larger projects grab the headlines, there will also be a number of mid-sized and smaller transactions as an increasing number of municipalities will be procuring PPP projects, as well as the less-populated provinces putting a greater focus on PPP delivery. Whereas in the past the market could be mainly defined by PPPs for justice facilities, hospitals and some transportation projects primarily in Ontario and British Columbia, Canada is now seeing PPP growth in the municipal sector and a more diverse pipeline of projects in sectors such as water/wastewater and energy.

BBGI acquired interests in four Canadian projects last year and is expecting continued market activity in the next 24 months. The Canadian secondary market is expected to remain active in 2014 and 2015 as a number of projects developed over the last couple of years come into operation. During the period 2009-2011, 39 PPP deals reached financial close culminating in a combined capital investment of approximately CAD 21.7 billion. Many of these projects had prohibitions on sales until after construction completion. It is expected that the equity interest in some of these projects may soon start to trade.

US

The US PPP market is finally beginning to deliver on its promises after many false starts and setbacks. One of the major turning points in its fortunes was the signing into law of MAP-21 (the Moving Ahead for Progress in the 21st Century Act) in 2012. One of its core features was an extension of the Transportation Infrastructure Finance and Innovation Act (TIFIA) program funding from USD 120 million in 2012 to USD 750 million in 2013 and USD 1 billion in 2014. In addition, it increased the level of funding for each project to a potential 49% from 33%. This happened

in the context of maturing US PPP markets, temporary tax exemptions on private activity bonds (PABs) and several states passing PPP legislation. The result has been a significant increase in the number of US PPP projects.

After watching the market for several years, many proponents are now predicting a much more favorable outlook for the US PPP market. The US pipeline continues to grow, especially in the transportation sector. The benefits of PPP delivery have become more widely accepted and there has been a significant downturn in political risk. Many States' PPP programs are maturing and a more business-like approach is being followed.

The early PPP adopter states have remained at the forefront of the overall development of infrastructure markets in the US. These states include California, Florida, Texas and Virginia. In addition, several other states such as Colorado, Illinois, Maryland and Pennsylvania have been advancing their respective PPP programs and interesting primary projects are starting to emerge.

BBGI recently gained a beachhead in the US market when it completed the acquisition of a 33.33% interest in the Ohio River Bridge PPP project. This is one of a handful of availability-based transportation project to be delivered in the US using PPP. The Company is hopeful that the knowledge and exposure gained from this transaction will help position the Company favourably for more opportunities in this developing but important US market.

Australia & New Zealand

The project pipeline in Australia remains strong with in excess of AUD\$11 billion of projects that are ready to proceed and meet Infrastructure Australia's project criteria. Prisons, healthcare and transport infrastructure projects remain a focus. 2014 is also expected to generate some transactions in the Australian secondary market.

New Zealand's central government has plans to invest NZD 46.6bn into infrastructure over the next 10 years, according to a sector update released by the New Zealand Treasury Department in March 2014.

The Treasury Department is calling for comment on an evidence base that will form the basis of the country's National Infrastructure Plan to be published next year. Within the review, a capital intentions report found that 260 projects over NZD 1 million in size have been identified by central government departments and agencies, nearly two-thirds of which are social infrastructure. In terms of PPPs, New Zealand is currently tendering for an NZD 200 million schools bundle and an NZD 200 million extension of Auckland Prison.

Market Opportunities

BBGI's investment policy is to invest in infrastructure projects that have predominantly been developed under the PPP/PFI 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 in the UK and Northern Europe, North America and Australia/New Zealand that meet its investment criteria and its stated return objectives.

The investment climate for PPP/PFI assets that meet the Company's acquisition strategy continues to be very competitive, especially in the UK. The Management Board believes there is a current imbalance in the market with more investment capital targeted towards the sector than attractive investment opportunities, which will continue to put increased pressure on pricing.

So far in 2014, there have been some portfolios that have been offered for sale via professional auction processes. These large portfolios have attracted significant attention not only from established PPP/PFI investors, but also new entrants who are attracted to the larger equity requirements and instant critical mass offered by a larger portfolio. The confluence of these events is upward pressure on prices and downward pressure on discount rates.

While BBGI should benefit as increased pressure on pricing may continue to warrant an increase in valuation of the existing portfolio, it also creates an environment where the potential to overpay for new assets increases dramatically. In this increasingly competitive environment, vendors are requiring prospective purchasers to price in

lifecycle savings, aggressive tax structures, portfolio efficiencies and other upsides that may not be realized. The result is that the margin for error has decreased significantly and many of the potential acquisitions we expect to see in 2014 may not be pursued by BBGI because we believe that they will not be accretive to shareholder value.

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 consider this alignment of interests an important differentiating factor.

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

While BBGI will continue to selectively participate in auction processes, the Company will focus most of its energies and attention on opportunities where it has the ability to acquire assets using some form of strategic advantage. These strategic advantages could include pre-emption rights, operational synergies or the Company's reputation for transacting quickly and reputably. BBGI is also very active in markets outside of the UK and will continue to seek out attractive opportunities in Australia, Canada, US and Continental Europe which may not be as competitive.

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 assets through the construction phase, we believe some exposure (less than 25%) can be attractive. We will make sure the dividend target is not compromised, but see this as an opportunity to increase the NAV over time.

The construction 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.

Consequently we believe that our growth for the remainder of 2014 will be more moderate and most likely will be financed either by drawing on an increased credit facility and/or via an equity tap issue.

We remain optimistic about BBGI's prospects for 2014 and believe the company remains attractive to those investors seeking access to long term, stable, inflation-linked cash flows from stable, highly-rated government counter parties.

Risks and Uncertainties

The principal risks and uncertainties facing the Company are set out in the Prospectus dated 26 November 2013. The Board believes the principal risks and uncertainties have not changed since the publication of the Prospectus. These are expected to remain relevant to the Company for the next six months of its financial year and include credit risk, country risk, inflation risk, foreign exchange risk and counterparty risk.

The Board believes that these do not represent a significant threat to the Company as its income is generated from a portfolio of PPP/PFI concessions which are supported by highly rated government backed cash flows with inflation correlation. Furthermore the Company has entered into a hedging program to reduce its exposure to foreign exchange risk.

VALUATION

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

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

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

Macro-economic assumptions

End of period	31 Dec 14	31 Dec 15	31 Dec 16	Long term
UK				
Indexation (%)	2.75	2.75	2.75	2.75
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Corporate Tax (%)	21.0	20.0	20.0	20.0
Canada				
Indexation (%) ⁽¹⁾	2.00/2.35	2.00/2.35	2.00/2.35	2.00/2.35
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Corporate Tax (%) ⁽²⁾	25.0/26.0/26.5	25.0/26.0/26.5	25.0/26.0/26.5	25.0/26.0/26.5
GBP/CAD as at 30 June 2014 ⁽³⁾	1.817	1.817	1.817	1.817
Australia				
Indexation (%)	2.50	2.50	2.50	2.50
Deposit Interest Rate (%) ⁽⁴⁾	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 2014 ⁽³⁾	1.807	1.807	1.807	1.807
Germany				
Indexation (%)	2.00	2.00	2.00	2.00
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Corporate Tax (%) ⁽⁵⁾	15.8	15.8	15.8	15.8
GBP/EUR as at 30 June 2014 ⁽³⁾	1.249	1.249	1.249	1.249
Norway				
Indexation (%) ⁽⁶⁾	2.94	2.94	2.94	2.94
Deposit Interest Rate (%)	1.8	2.5	4.0	4.0
SPC Corporate Tax (%)	27.0	27.0	27.0	27.0
GBP/NOK as at 30 June 2014 ⁽³⁾	10.438	10.438	10.438	10.438
USA				
Indexation (%)	2.50	2.50	2.50	2.50
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Federal tax / Indiana State tax (%)	35.0/4.6	35.0/4.2	35.0/4.2	35.0/4.2
GBP/USD as at 30 June 2014 ⁽³⁾	1.704	1.704	1.704	1.704

⁽¹⁾ All Canadian projects have a 2.0% indexation factor with the exception of North East Stoney Trail and Northwest Anthony Henday Drive which has a slightly different indexation factor which is derived from a basket of regional labour, CPI and commodity indices.

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

⁽³⁾ As published on www.oanda.com

⁽⁴⁾ Cash on Debt Service Reserve Account and Maintenance Service Reserve Account can be invested on a six month basis. Other funds are deposited on a shorter term.

⁽⁵⁾ Including Solidarity charge, excluding Trade tax which varies between communities.

⁽⁶⁾ 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 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 subsidiaries remain on track and are not terminated before their contractual expiry date.

Over the six month period from 31 December 2013 to 30 June 2014 the Company's Investment Basis NAV increased from £449.25 million to £456.23 million. The increase in NAV per share from 105.6 pence to 107.1 pence or 1.47% is primarily a result of the key drivers listed below:

Key drivers for NAV growth

As part of BBGI's asset management activities, some value optimisations have been identified on projects, and include:

- BBGI benefits from a comparatively young portfolio with an average concession life of 24.6 years including some project entities in construction. As the Company moves closer to the forecasted dividend payment dates, the time value of those cash flows on a net present value basis increases (unwinding of discount).
- A moderate decrease in discount rates based on both the reduced risks associated with some investments and a small reduction in the market rate for stable operational projects which mirrors the continued trend of more available capital of PPP infrastructure investors while the supply side has not kept pace with the increased demand. This decrease in discount rates has resulted in a NAV uplift of £2.2 million in the first half of 2014.
- The net effect of inflation on a portfolio basis has been slightly positive.
- A net positive effect of lower operational costs.
- BBGI has renewed its portfolio insurance to 2017 and achieved an additional saving for all projects insured under this policy.
- New acquisitions made at, or above, the portfolio discount rate.

Foreign exchange

The foreign exchange rates at 30 June 2014 show a depreciation during the six month period of the Canadian Dollar, the Euro, the Norwegian Krone and the US Dollar against the Pound Sterling. During the same period the Australian Dollar appreciated against the Pound Sterling, with the net effect being a negative impact on the NAV of the portfolio (refer to the section Movement on Investment Basis NAV). While the Company tries to mitigate the impacts of foreign currency movements on the NAV by hedging a portion of the expected dividends for the next four years coming from the portfolio, it would not be economic to fully immunise the portfolio against any NAV changes due to foreign exchange movements.

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

GBP/USD	*	1.704
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* The Company acquired Ohio River Bridge a US project in January 2014. Prior to this the Company's portfolio had no exposure to the US Dollar.

Discount rates

The discount rates used for the individual assets range between 8.00% and 10.50%, and the weighted average basis is approximately 8.42%, which compares with average discount rate of 8.39% used at 31 December 2013. The increase in discount rates reflects primarily the additional assets under construction acquired during the first half of 2014. This has been partly offset by the decrease in certain discount rates due to the repositioning of some assets into the stable operational phase and the associated reduction in discount rates for those projects and secondly the continued trend of an increased competitive pressure on secondary market prices since the valuation in December 2013. More investment capital both in the listed and unlisted infrastructure secondary market is pursuing PPP/PFI assets and furthermore where auctions are used these have become more specialised and competitive. BBGI was able to avoid any such processes in the period to date by sourcing all assets either from the pipeline agreement with Bilfinger, 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.

Investment Basis NAV movement 31 December 2013 to 30 June 2014	£ million
Net Asset Value at 31 December 2013	449.2
Distributions	(11.3)
Change in foreign exchange	(4.0)
Change in discount rate	2.2
Decrease in cash relating to acquisition of new assets ¹	(111.4)
New Projects	111.4
Return ²	20.1
Net Asset Valuation	456.2

¹ The acquisition price under investment basis uses the hedged Pound Sterling cost of all acquisitions denominated in local currency. Under IFRS the acquisition cost is recorded at the exchange rate at the date of completion.

² Return includes among others changes due to portfolio optimisations and unwinding of future cash flows

During the period, the reported net asset value per share increased from 105.6 pence to 107.1 pence, an increase of 1.47%.

Discount rates sensitivity

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

Discount Rate Sensitivity ¹	Change in Net Asset Value 30 June 2014
Increase by 1% to 9.42%	£(40.4) million, i.e. (8.9)%
Decrease by 1% to 7.42%	£47.4 million, i.e. 10.4%

¹ Based on the average discount rate of 8.42%

Inflation sensitivity

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

Inflation Sensitivity	Change in Net Asset Value 30 June 2014
Increase by 1% ¹	£34.4 million, i.e. 7.5%
Decrease by 1% ¹	£(28.7) million, i.e. (6.3)%

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

Foreign exchange sensitivity

Foreign Exchange Sensitivity	Change in Net Asset Value 30 June 2014
Increase by 10% ¹	£(21.7) million, i.e. (4.8)%
Decrease by 10% ¹	£26.5 million, i.e. 5.8%

¹ Sensitivity in comparison to the FX rates at 30 June 2014 and taking into account the hedges in place, derived by applying a 10% increase or decrease to the rate GBP/foreign currency

Deposit rate sensitivity

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

Deposit Rate Sensitivity	Change in Net Asset Value 30 June 2014
Increase by 1% ¹	£11.5 million, i.e. 2.5%
Decrease by 1% ¹	£(11.1) million, i.e. (2.4)%

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

FINANCIAL RESULTS

BASIS OF ACCOUNTING

During the year ended 31 December 2013, the Company adopted early the changes to the accounting standards affecting Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27). These revised accounting standards allow the Company (an Investment Entity) to prepare IFRS financial statements, which do not consolidate certain subsidiaries, in a similar manner to the Company's pro-forma Investment basis tables which continue to be included in the Financial Results section of this Report of the Management Board.

INCOME AND COSTS

Pro forma Income Statement

	Six months to 30-Jun-14 £million	Six months to 30-Jun-13 £million
Fair value movements ¹	21.0	12.5
Other income	0.5	0.4
Total profit before corporate costs	21.5	12.9
Corporate costs excluding taxes	(3.0)	(2.5)
Net earnings before taxes	18.5	10.4
Taxes	(0.2)	(0.1)
Net Earnings²	18.3	10.3
Basic earnings per share (pence)	4.29	4.85

¹ The comparative figure for the period ended 30 June 2013 has been restated as a result of the adoption of the revised accounting standards.

² Net earnings for the period amounted to £18.3 million, an increase of £8.0 million against the comparative period to 30 June 2013. Net earnings comprise the return on the portfolio, change in discount rates, foreign currency exchange movements less corporate costs.

Group Level Corporate Cost Analysis

The table below is prepared on an accrual basis.

	Six months to 30-Jun-14 £ million	Six months to 30-Jun-13 £ million
Corporate costs		
Interest expense and other finance cost	0.4	0.5
Staff costs ¹	1.3	0.8
Fees to non-executive directors	0.1	0.1
Professional fees	0.3	0.5
Other expenses	0.6	0.4
Acquisition related costs ²	0.3	0.2
Taxes	0.2	0.1
Corporate costs	3.2	2.6

¹ The Company is internally managed with no fees payable to external managers. The Company had 13 employees as of 30 June 2014 with a portfolio of 35 projects, compared to 9 employees as of 30 June 2013 with a portfolio of 20 projects.

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

Ongoing Charges

The “Ongoing Charges” ratio was prepared in accordance with the Association of Investment Companies’ (“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 2014	2013
Ongoing charges	£ million	£ million
Ongoing charges ¹	4.44	3.3
Average undiluted net asset value	453.9	298.1
Ongoing charges (%)	0.98%	1.11%

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

BALANCE SHEET

Pro forma Balance Sheet

	30-Jun-14			31-Dec-13		
	Investment Basis £million	Adjust £million	Consolidated IFRS £million	Investment Basis £million	Adjust £million	Consolidated IFRS £million
Investments at fair value	436.9	-	436.9	324.1	-	324.1
Adjustments to investments	0.7	-	0.7	0.7	-	0.7
Other assets and liabilities (net)	(1.9)	0.3	(1.6)	(1.9)	0.2	(1.7)
Net cash/(borrowings) ¹	20.5	0.3	20.8	126.3	-	126.3
Fair value of derivative financial instruments ²	-	1.0	1.0	-	1.3	1.3
Net assets attributable to Ordinary shares	456.2	1.6	457.8	449.2	1.5	450.7

¹The reduction in net cash is largely due to the fact that the Company completed on £111.4 million of acquisitions in the period and also paid out an interim dividend of approximately £11.3 million.

² 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 2014	Period ended 30 June 2013

	£ million	£ million
Distributions from investments	18.9	9.0
Net cash outflow from operating activities before finance costs	(2.9) ¹	(2.5)
Cash outflow from finance cost (net)	(0.1)	(0.1)
Net cash	15.9	6.4

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

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 meets the requirements of an interim management report and includes a fair review of the information required by
 - DTR 4.2.7R (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 (disclosure of related parties' transactions and changes therein).

Luxembourg, 28 August 2014

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 2014, the condensed consolidated interim income statement, the condensed consolidated interim statement of comprehensive income, changes in equity and 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 2014 is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU.

Luxembourg, 28 August 2014

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

Frauke Oddone

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT (UNAUDITED)

<i>In thousands of Pounds Sterling</i>	Note	Six months ended 30 June 2014	Six months ended 30 June 2013 (as restated – see Note 2)
Continuing operations			
Income from investments at fair value through profit or loss (FVPL investments)	7,12	20,922	12,488
Operating income		20,922	12,488
Administration expenses	4	(2,282)	(1,893)
Other operating income	6	378	260
Other operating expenses	5	(336)	(169)
Operating expenses		(2,240)	(1,802)
Results from operating activities		18,682	10,686
Finance cost	11	(367)	(491)
Finance income		131	271
Net finance result		(236)	(220)
Profit before tax		18,446	10,466
Tax expense	8	(192)	(145)
Profit from continuing operations		18,254	10,321
Profit from continuing operations attributable to owners of the Company		18,254	10,321
Earnings per share			
Basic earnings per share (pence)	10	4.29	4.85
Diluted earnings per share (pence)	10	4.29	4.85

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

<i>In thousands of Pounds Sterling</i>	Note	Six months ended 30 June 2014	Six months ended 30 June 2013 (as restated – see Note 2)
Profit for the period		18,254	10,321
Other comprehensive income for the period		-	-
Total comprehensive income for the period attributable to the owners of the Company		18,254	10,321

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

<i>In thousands of Pounds Sterling</i>	Note	30 June 2014	31 December 2013 (Audited)
Assets			
Property plant and equipment		61	70
Investments at fair value through profit or loss	7,12	436,851	324,051
Derivative financial instruments	12	980	1,262
Other non-current assets	11	-	415
Non-current assets		437,892	325,798
Trade and other receivables	12	969	1,307
Other current assets		68	57
Cash and cash equivalents	12	26,656	126,321
Current assets		27,693	127,685
Total assets		465,585	453,483
Equity			
Share capital	9	434,818	434,322
Translation reserves	9	(597)	(597)
Retained earnings		23,556	17,005
Equity attributable to owners of the Company		457,777	450,730
Liabilities			
Loans and borrowings	11	5,837	-
Non-current liabilities		5,837	-
Trade payables	12	72	88
Other payables	12	1,819	2,584
Tax liabilities		80	81
Current liabilities		1,971	2,753
Total liabilities		7,808	2,753
Total equity and liabilities		465,585	453,483
Net asset value attributable to the owners of the Company		457,777	450,730
Net asset value per ordinary share (pence)		107.48	105.91

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 reserve	Retained earnings	Total equity
<i>In thousands of Pounds sterling</i>	Note				
Balance at 1 January 2013 (Audited)		208,807	-	12,083	220,890
Total comprehensive income for the six months ended 30 June 2013 (as restated – see Note 2)					
Profit for the period (as restated –see Note 2)		-	-	10,321	10,321
Total comprehensive income for the period (as restated-see Note 2)		208,807	-	22,404	231,211
Transactions with owners of the Company, recognized directly in equity					
Cash dividends	9	-	-	(5,875)	(5,875)
Balance at 30 June 2013 (as restated – see Note 2)		208,807	-	16,529	225,336

		Share capital	Translation reserve	Retained earnings	Total equity
<i>In thousands of Pounds sterling</i>	Note				
Balance at 1 January 2014 (Audited)	9	434,322	(597)	17,005	450,730
Total comprehensive income for the six months ended 30 June 2014					
Profit for the period		-	-	18,254	18,254
Total comprehensive income for the period		434,322	(597)	35,259	468,984
Transactions with owners of the Company, recognized directly in equity					
Cash dividends	9	-	-	(11,301)	(11,301)
Scrip dividends	9	402	-	(402)	-
Share issuance costs	9	94	-	-	94
Balance at 30 June 2014	9	434,818	(597)	23,556	457,777

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

<i>In thousands of Pounds Sterling</i>	<i>Note</i>	Six months ended 30 June 2014	Six months ended 30 June 2013 (as restated – see Note 2)
Cash flows from operating activities			
Profit/(Loss) for the year		18,254	10,321
Adjustments for:			
- Depreciation		9	3
- Net finance cost (income) excluding fair value movements in derivative financial instruments		236	220
- Income from FVPL investments	7,12	(20,922)	(12,488)
- Change in fair value of derivative financial instruments	6,12	(63)	(163)
- Income tax expense	8	192	145
		(2,294)	(1,962)
Changes in:			
- Trade and other receivables		338	120
- Other assets		(11)	5
- Trade and other payables		(687)	93
Cash generated from operating activities		(2,654)	(1,744)
Finance cost paid		(207)	(394)
Interest received		131	271
Realized gain (loss) in derivative financial instruments		345	(154)
Taxes paid		(193)	(238)
Net cash flows from operating activities		(2,578)	(2,259)
Cash flows from investing activities			
Acquisition of investments at fair value through profit or loss	7,12	(108,340)	-
Distributions received from investments at fair value through profit or loss	7,12	18,510	7,958
Acquisition of other equipment		-	(2)
Acquisition of other receivables		(2,048)	-
Net cash flows from investing activities		(91,878)	7,956
Cash flows from financing activities			
Proceeds from issuance of loans and borrowings		6,159	-
Loan issuance cost		(67)	-
Dividends paid		(11,301)	(5,875)
Net cash flows from financing activities		(5,209)	(5,875)
Net increase (decrease) in cash and cash equivalents		(99,665)	(178)
Cash and cash equivalents at 1 January		126,321	14,412
Cash and cash equivalents at 31 December		26,656	14,234

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

1. Reporting entity

BBGI SICAV S.A. (previously Bilfinger Berger Global Infrastructure SICAV S.A.) (hereinafter referred to as the “Company” or “BBGI”) is an investment company domiciled in Luxembourg that was incorporated on 3 October 2011 under the law of 17 December 2010 concerning undertakings for collective investment. The 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 has applied for authorisation as an internal alternative investment fund manager in accordance with Chapter 2 of the 2013 Law. The Company’s registered office is EBBC, 6E, route de Trèves, L-2633 Senningerberg, Luxembourg. The Company is admitted to the official list of the UK Listing Authority (premium listing, investment company) and to trading on the main market of the London Stock Exchange.

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

The Group employed 13 employees as of 30 June 2014 (9 as of 30 June 2013).

Reporting period

The reporting period of the Company (“the Group” if referred to together with its consolidated subsidiaries) runs from 1 January to 31 December, each year. The condensed consolidated interim statement of financial position includes comparative figures as at 31 December 2013. The condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of cash flows and condensed consolidated interim statement of changes in equity includes comparative figures as at 30 June 2013 (as restated – see Note 2).

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

Certain modifications have been made to the 30 June 2013 comparative information, such modification being necessary to align the comparative information with the current condensed consolidated interim financial statements and to allow a better comparison with the 30 June 2014 amounts (see Note 2).

These condensed consolidated interim financial statements were approved by the Management Board and Supervisory Board on 28 August 2014.

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 (IFRSs)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the six months ended 30 June 2014 (continued)

as adopted by the European Union (EU) and do not include all information required for full annual financial statements.

Due to changes in accounting policy, specifically the adoption of the new and amended IFRS 10 (see below), all items presented in the condensed consolidated interim income statement and the condensed consolidated statement of comprehensive income are treated as “capital” in nature. As such, no further disclosure is required, as there are no longer items deemed as “revenue” in nature.

Application of *Investment Entity* consolidation exemption and restatement of 30 June 2013 comparative financial information

As of 31 December 2013, Group has adopted early *Investments Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (2012) (the amendments)*. This standard requires entities which qualify as Investment Entities not to consolidate certain subsidiaries even if it obtains or has control over that subsidiary. Instead, the standard requires an Investment Entity to measure investments on certain subsidiaries at fair value through profit or loss in accordance with the provisions of IAS 39 (*Financial Instruments : Recognition and Measurement*). The Group meets the definition of an Investment Entity and therefore no longer consolidates on a line by line basis its interests in subsidiaries directly linked to PPP/PFI operations. The Group presents these subsidiaries as investments at fair value through profit or loss (or FVPL Investments) in the condensed consolidated interim statement of financial position as a single line item. Any fluctuation in the fair values of FVPL Investments is reflected in the condensed consolidated interim income statement as profit or loss.

Although the Company qualifies as an Investment Entity and is required to value certain subsidiaries at fair value, the Company has a number of holding company subsidiaries which provide services that relate to the Company’s investment activities which are required to be consolidated on a line by line basis (referred hereinafter as “Holding Companies”). These subsidiaries (consolidated on a line by line basis) are as follows:

- BBGI Management Holdco S.à r.l. (“MHC”)
- BBGI Inv S.à r.l. (previously BBGI S.à r.l.) (“GP”)
- BBGI Investments S.C.A. (“Lux Holdco”)
- BBGI Holding Limited (“UK Holdco”)
- BBGI CanHoldco Inc.
- BBGI Guernsey Holding Limited
- BBGI (NI) Limited

The following table summarizes the adjustments made to the 30 June 2013 (comparative figures) condensed consolidated interim income statement and condensed consolidated interim statement of comprehensive income as a result of the adoption of the abovementioned standards:

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the six months ended 30 June 2014 (continued)

Adjustments to the condensed consolidated interim income statement			
	Six months ended 30 June 2013	Adjustments	Six months ended 30 June 2013 (as restated)
<i>In thousands of Pounds Sterling</i>			
Continuing operations			
Revenue	26,320	(26,320)	-
Cost of services	(23,630)	23,630	-
Gross profit	2,690	(2,690)	-
Income from FVPL investments	4,196	8,292	12,488
Administration expenses	(2,023)	130	(1,893)
Other operating income	691	(431)	260
Other operating expenses	(169)	-	(169)
Results from operating activities	5,385	5,301	10,686
Finance cost	(21,067)	20,576	(491)
Finance income	25,746	(25,475)	271
Net finance result	4,679	(4,899)	(220)
Profit before tax	10,064	402	10,466
Tax expense	(1,132)	987	(145)
Profit from continuing operations	8,932	1,389	10,321
Attributable to:			
Owners of the Company	8,736	1,585	10,321
Non-controlling interests	196	(196)	-
Earnings per share (pence)	4.10	0.75	4.85
Adjustments to the condensed consolidated interim statement of comprehensive income			
	Six months ended 30 June 2013	Adjustments	Six months ended 30 June 2013 (as restated)
<i>In thousands of Pounds Sterling</i>			
Profit for the period	8,932	1,389	10,321
Other comprehensive income			
Foreign currency translation differences – foreign operations	(1,227)	1,227	-
Effective portion of changes in fair value of cash flow hedges	20,040	(20,040)	-
Income tax on other comprehensive income	(5,161)	5,161	-
Other comprehensive income/(loss) for the period, net of tax	13,652	(13,652)	-
Total comprehensive income for the period	22,584	(12,263)	10,321
Comprehensive income/(loss) attributable to :			
Owners of the Company	21,797	(11,476)	10,321
Non-controlling interests	787	(787)	-
Total comprehensive income for the period	22,584	(12,263)	10,321

The main drivers for the change in the consolidated profit and consolidated comprehensive income are as follows:

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- 1) Previously, the (a) loan and borrowings (b) receivables from concession agreements and (c) other assets and liabilities at the level of the PPP/PFI subsidiaries (subsidiary SPCs) were valued at amortized cost and were included in the consolidated statement of financial position. These individual components are now valued at fair value and are included as part of FVPL investments. Also, the results of operations of the subsidiary SPCs, which are primarily composed of (a) revenue from PPP/PFI operations, (b) interest income on service concession receivables, (c) financing costs on loans entered at the subsidiary SPC level, and (d) costs incurred in running the PPP/PFI operations, were previously consolidated on a line by line basis in the condensed consolidated interim income statement. These individual components are no longer included in the restated condensed consolidated interim income statement and the restated condensed consolidated interim statement of comprehensive income.
- 2) The fair values of derivative financial instruments used at the subsidiary SPC level were previously included in the consolidated statement of financial position as a single line item. Under the new standard, the discounted value of future interest payments at the project level is indirectly included in the fair value of FVPL investments. The changes in the value of FVPL investments directly impact the amount of profit or loss recognized during a particular period.
- 3) The deferred tax assets/liabilities that were (a) recorded at the level of the subsidiary SPCs, and (b) were recognized at the level of the Company are now excluded from the consolidated statement of financial position and condensed consolidated interim income statement. Any taxes which are forecasted to be paid during the concession life of each project are already reflected in the discounted cash flows used to fair value the FVPL Investments. The changes in the value of FVPL investments directly impact the amount of profit or loss recognized during a particular period.
- 4) The goodwill and negative goodwill recognized as a result of the acquisition of subsidiary SPCs are no longer recognized since all investments in the subsidiary SPCs are measured at fair value under the new standard. The Group is no longer required to allocate the price paid to acquire a subsidiary SPC to the individual assets and liabilities of such SPC, with the remaining unallocated acquisition amount recorded as goodwill or negative goodwill. Under the new standard, the price paid is considered as the fair value of the subsidiary SPC at the date of acquisition. As a result, the Group no longer recognizes any profit and loss resulting from the impairment and/or derecognition of goodwill and/or negative goodwill.

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 2013.

Basis of measurement

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

Functional and presentation currency

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

Use of estimates and judgements

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

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

In the process of applying the Group's accounting policies, which are described in Note 3, the management has made the following judgements that have the most significant effect on the amounts recognized in the financial statements.

The Company as an Investment entity

The management, in consultation with the Group's auditors, have 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
- b) commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- c) measures and evaluates performance of substantially all of its investments on a fair value basis

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

- a) it has more than one investment
- b) it has more than one investor
- c) it has investors that are not related parties of the entity
- d) it has ownership interests in the form of equity or similar interests

Fair valuation of financial assets and financial liabilities

The Group accounts for its investments in SPCs at fair value through profit or loss.

Fair values for such investments for which a market quote is not available are determined using the income approach which discounts the expected cash flows at the appropriate rate. In determining the discount rate, certain assumptions are made which are based on market rates. The management also uses certain macro-economic assumptions which include indexation rates, deposit interest rates, corporate tax rates and foreign currency exchange to determine the cash flows that would be received from the SPCs. The management believes that the macroeconomic assumptions and discount rates used are representative of the current market conditions/rates for similar PPP/PFI projects.

The fair value of other financial assets, other than current assets and liabilities has been determined by discounting future cash flows at an appropriate discount rate and with reference to recent market transactions. Further information on assumptions and estimation uncertainties are disclosed in Note 12.

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for the six months ended 30 June 2014 (continued)

Going concern basis of accounting

The Management Board has examined significant areas of possible financial risk including cash and cash requirements. They have not identified any material uncertainties which would cast significant doubt on the Company's ability to continue as a going concern for a period of 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 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 four 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) Mainland Europe and UK, (2) Australia, (3) North America, and (4) Holding activities. These reportable segments are the basis on which the Group reports information to its Management Board.

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

<i>In thousands of Pounds Sterling</i>	Mainland Europe and UK	Australia	North America	Holding Activities	Total Group
Income from FVPL investments	19,498	3,193	(1,769)	-	20,922
Administration expenses	-	-	-	(2,282)	(2,282)
Other operating income - (net)	-	-	-	42	42
Results from operating activities	19,498	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	19,498	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.

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for the six months ended 30 June 2014 (continued)

Segment information as of 30 June 2014 is presented below:

<i>In thousands of Pounds Sterling</i>	Mainland Europe and UK	Australia	North America	Holding Activities	Total Group
Investments at fair value through profit or loss	221,892	71,665	143,294	-	436,851
Remaining non-current assets	-	-	-	1,041	1,041
Current assets	-	-	-	27,693	27,693
Total assets	221,892	71,665	143,294	28,734	465,585
Non-current liabilities	-	-	-	5,837	5,837
Current liabilities	-	-	-	1,971	1,971
Total liabilities	-	-	-	7,808	7,808

Segment information for the six months ended 30 June 2013 (as restated – see Note 2) is presented below:

<i>In thousands of Pounds Sterling</i>	Mainland Europe and UK	Australia	North America	Holding Activities	Total Group
Income from FVPL investments	9,836	(236)	2,888	-	12,488
Administration expenses	-	-	-	(1,893)	(1,893)
Other operating income - (net)	-	-	-	91	91
Results from operating activities	9,836	(236)	2,888	(1,802)	10,686
Finance cost	-	-	-	(491)	(491)
Finance income	-	-	-	271	271
Tax expense	-	-	-	(145)	(145)
Profit or loss from continuing operations	9,836	(236)	2,888	(2,167)	10,321

Segment information as of 31 December 2013 is presented below:

<i>In thousands of Pounds Sterling</i>	Mainland Europe and UK	Australia	North America	Holding Activities	Total Group
Investments at fair value through profit or loss	149,838	44,022	130,191	-	324,051
Remaining non-current assets	-	-	-	1,747	1,747
Current assets	-	-	-	127,685	127,685
Total assets	149,838	44,022	130,191	129,432	453,483
Current liabilities	-	-	-	2,753	2,753
Non-current liabilities	-	-	-	-	-
Total liabilities	-	-	-	2,753	2,753

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

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

4. Administration expenses

<i>In thousands of Pounds Sterling</i>	Six months ended 30 June 2014	Six months ended 30 June 2013 (as restated – see Note 2)
Personnel expenses	1,387	893
Legal and professional fees	337	508
Other expenses	558	492
	2,282	1,893

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

The audit fees, which are included in the legal and professional fees, amounted to £60,000 for the six months ended 30 June 2014 (30 June 2013: £119,000). In addition, an audit-related fee of £88,000 is included as part of other current assets for the period ended 30 June 2013. There are no non-audit related services provided by the Company's external auditors during the six months ended 30 June 2014 and 30 June 2013.

5. Other operating expenses

<i>In thousands of Pounds Sterling</i>	Six months ended 30 June 2014	Six months ended 30 June 2013
Acquisition-related costs	336	169
	336	169

6. Other operating income

<i>In thousands of Pounds Sterling</i>	Six months ended 30 June 2014	Six months ended 30 June 2013 (as restated – see Note 2)
Change in fair value of derivative financial instruments	63	164
Other income	315	96
	378	260

7. Investments at fair value through profit or loss

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

<i>In thousands of Pounds Sterling</i>	30 June 2014	31 December 2013
Balance at 1 January	324,051	218,116

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Acquisitions of FVPL investments	108,340	97,852
Income from FVPL investments	20,922	25,429
Receivables acquired as a result of acquisition	2,048	-
Distributions received	(18,510)	(17,346)
	436,851	324,051

Distributions received from FVPL investments, compose mainly interest and principal payments on subordinated intercompany loans and dividend payments. These distributions are made after (a) approval of external lenders on financial models have been obtained or (b) financial models are tested for compliance with certain ratios or (c) financial models have been submitted to the external lenders of the SPCs.

As of 30 June 2014, the loan interest receivable from unconsolidated subsidiaries is embedded in the FVPL investment.

The valuation of the investments at fair value through profit and loss already considers all cash flows related to the individual projects. The interest income, dividend income and project related directors' fee income recorded at the level of the Holding Companies for the period ended 30 June 2014 amounted to GBP 11,486,000 (30 June 2013: £7,518,000). The associated cash flows from these items are taken into account when valuing the projects.

For the six months ended 30 June 2014, the Company has completed 9 primary acquisitions as well as 8 follow-on acquisitions with a total value of £108.3 million as summarized below:

In January 2014 BBGI completed the acquisition of a 33.33% interest in the Ohio River Bridge PPP project (ORB), BBGI's first asset in the USA.

In February 2014 BBGI completed the acquisition of additional interests in three LIFT projects, Liverpool & Sefton Clinics, North London Estates Partnerships (LIFT) and Mersey Care Mental Health (Mersey Care) from Assura Group Limited. The interests acquired include equity and subordinated debt interests in Liverpool & Sefton Clinics, North London Estates Partnerships and Mersey Care Mental Health Hospital.

In March 2014 BBGI signed and completed the acquisition of Bilfinger Group's equity and subordinated debt subscription obligations of about £20 million, representing 37.5% of equity and subordinated debt in Mersey Gateway Bridge (Mersey Gateway). The subscription obligations are backed by a letter of credit using BBGI's credit facility (see Note 11).

Also in March 2014 BBGI completed the acquisition of a 50% interest in the Northern Territory Secure Facilities (NTSF) in Australia. NTSF is a new 1,000-bed correctional facility, located on a greenfield site near Darwin, Australia. The project is expected to become operational in the 2nd half of 2014.

In April 2014 BBGI completed the acquisition of a 50% equity and loan note interest in four operational PPP Projects in Germany from Hochtief PPP Solutions GmbH.

Also in April 2014, BBGI signed and completed the acquisition of an additional 6.67% equity and subordinated debt interest in two existing operational LIFT projects from Galliford Try Investments Limited. The two projects are the North London Estates Partnerships and the Liverpool and Sefton Clinics. Following this acquisition, BBGI now owns more than 50% in these projects. The acquisition was financed using the Company's credit facility (see Note 11).

In May 2014 BBGI completed the acquisition of 100% equity and subordinated debt interest in Lagan College, a long-term PPP concession to build a school and partially refurbish and remodel an existing school building in Northern Ireland. Under the sale and purchase agreement, BBGI acquired from the Bilfinger Group 70% of the

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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equity and subordinated debt in the project. BBGI also acquired the remaining 30% of the equity interest and subordinated debt from the other project owner.

In June 2014 BBGI completed the acquisition of 100% equity and loan note interests in DBFO -1 Road Service ("M1 Westlink") from the Bilfinger Group and Graham Investment Projects Limited.

Also in June 2014 BBGI completed the acquisition of a further 41.2% equity interest in the E18 Roadway Project ("E18") in Norway from Sundt A.S. BBGI now owns 100% of the equity interest in E18.

8. Taxes

The Company is exempt from paying income and/or capital gains taxes in Luxembourg. It is however liable to an annual subscription tax of 0.05% of its total net assets (see Note 3). For the six months ended 30 June 2014 the Company incurred subscription tax expense of £112,000 (30 June 2013: £55,000). The remaining income tax expenses are composed of withholding tax paid for certain dividends received during the period.

There are no unrecognized taxable temporary differences. The Group has tax losses carried forward amounting to £1,957,000 in which no deferred tax asset is recognized.

9. Capital and reserves

Share capital

The changes in the Company's share capital are as follows:

	For the six months ended 30 June 2014	Year ended 31 December 2013
<i>In thousands of Pounds Sterling</i>		
Share capital as of 1 January	434,322	208,807
Issuance of shares through placing, open offer and offer for subscription	-	230,000
Share issuance costs	94	(4,485)
Share capital issued through scrip dividends	402	-
	434,818	434,322

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

	For the six months ended 30 June 2014	Year ended 31 December 2013
In issue at beginning of the year	425,574	212,985
Shares issued during the year through placing, open offer and offer for subscription	-	212,589
Shares issued through scrip dividends	343	-
	425,917	425,574

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

Translation reserve

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

Dividends

The following interim and final dividends were declared and paid by the Company during the six months ended 30 June 2014:

	Six months ended 30 June 2014
<i>In thousands of Pounds Sterling except as otherwise stated</i>	
Final dividend of 2.75 pence per qualifying ordinary share - for the year ended 31 December 2013	11,703

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

The following dividends were declared and paid by the Company during the six months ended 30 June 2013:

	Six months ended 30 June 2013
<i>In thousands of Pounds Sterling except as otherwise stated</i>	
Final dividend of 2.75 pence per qualifying ordinary share - for the year ended 31 December 2012	5,857

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 2014	Six months ended 30 June 2013 (as restated – see Note 2)
<i>In thousands of Pounds Sterling/shares</i>		
Profit attributable to ordinary shareholders	18,254	10,321
Weighted average number of ordinary shares in issue	425,917	212,985
Basic and diluted earnings per share (in pence)	4.29	4.85

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

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for the six months ended 30 June 2014 (continued)

	Six months ended 30 June 2014	Six months ended 30 June 2013
<i>In thousands of shares</i>		
Shares outstanding as at 1 January	425,574	212,985
Effects of shares issued through placing, open offer and offer for subscription (weighted average)	-	-
Effect of scrip dividends issued	343	-
Weighted average – outstanding shares	425,917	212,985

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 July 2012 the Company entered into a 3-year £35 million revolving credit facility and letter of credit option with three lenders (The Royal Bank of Scotland plc, National Australia Bank Limited and KfW IPEX-Bank GmbH) to finance acquisitions, to provide letters of credit for outstanding equity obligations or for working capital purposes. The arrangement fee was 1.5% and the margins are 2.25% over LIBOR when loan to value is less than 25% and 2.75% over LIBOR when loan to value is greater than or equal to 25%. The commitment fee is 1.00% of the undrawn balance per annum.

As of 30 June 2014, the Company had drawn £6,158,986 (31 December 2013: NIL) under the credit facility. At 30 June 2014, the Company utilised £21.0 million (31 December 2013: £1.4 million) of the facility to cover 3 letters of credit (31 December 2013: 2 letters of credit). The Company is still entitled to obtain funding from the abovementioned credit facility until July 2015. The Company's management is currently in discussion with several banks regarding the increase of the Company's credit facility with a corresponding extension of the final maturity beyond the current maturity of July 2015.

The unamortized debt issuance cost related to the abovementioned credit facility amounts to £322,000 as of 30 June 2014 (31 December 2013: £415,000).

The finance cost incurred in relation to the abovementioned loans for the six months ended 30 June 2014 amounted to £367,000 (30 June 2013: £491,000).

Pledges and Collaterals

The Group has pledged all the current and future assets held within certain consolidated subsidiaries and the Company in relation to the revolving credit facility.

12. Fair value measurements

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

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for the six months ended 30 June 2014 (continued)

30 June 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>					
Assets					
Investments at fair value through profit or loss	436,851	-	-	436,851	436,851
Trade and other receivables	-	969	-	969	969
Cash and cash equivalents	26,656	-	-	26,656	26,656
Derivative financial instruments	980	-	-	980	980
	464,487	969	-	465,456	465,456
Liabilities					
Loans and borrowings	-	-	5,837	5,837	5,837
Trade payables	-	-	72	72	72
Other payables	-	-	1,819	1,819	1,819
	-	-	7,728	7,728	7,728

31 December 2013					
	Fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount	Fair value
<i>In thousands of Pounds Sterling</i>					
Assets					
Investment at fair value through profit or loss	324,051	-	-	324,051	324,051
Trade and other receivables	-	1,307	-	1,307	1,307
Cash and cash equivalents	126,321	-	-	126,321	126,321
Derivative financial instruments	1,262	-	-	1,262	1,262
	451,634	1,307	-	452,941	452,941
Liabilities					
Trade payables	-	-	88	88	88
Other payables	-	-	2,584	2,584	2,584
	-	-	2,672	2,672	2,672

Investments at fair value through profit or loss

The valuation of investments at fair value through profit or loss 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.

The valuation is determined using discounted cash flow methodology. The cash flows forecasted to be received by the Company or its subsidiaries, generated by each of the underlying assets, and adjusted as appropriate to reflect the risk and opportunities, have been discounted using project specific discount rates. The valuation methodology is the same one used for the valuation of the portfolio of the Company at 31 December 2013.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the six months ended 30 June 2014 (continued)

The Group uses certain macroeconomic assumptions for the cash flows which include indexation rates, deposit interest rates, corporate tax rates and foreign currency exchange. Assumptions on the indexation rates, deposit interest rates and tax rates are below:

Macro-economic assumptions

End of period	31 Dec 14	31 Dec 15	31 Dec 16	Long term
UK				
Indexation (%)	2.75	2.75	2.75	2.75
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Corporate Tax (%)	21.0	20.0	20.0	20.0
Canada				
Indexation (%) ⁽¹⁾	2.00/2.35	2.00/2.35	2.00/2.35	2.00/2.35
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Corporate Tax (%) ⁽²⁾	25.0/26.0/26.5	25.0/26.0/26.5	25.0/26.0/26.5	25.0/26.0/26.5
GBP/CAD as at 30 June 2014 ⁽³⁾	1.817	1.817	1.817	1.817
Australia				
Indexation (%)	2.50	2.50	2.50	2.50
Deposit Interest Rate (%) ⁽⁴⁾	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 2014 ⁽³⁾	1.807	1.807	1.807	1.807
Germany				
Indexation (%)	2.00	2.00	2.00	2.00
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Corporate Tax (%) ⁽⁵⁾	15.8	15.8	15.8	15.8
GBP/EUR as at 30 June 2014 ⁽³⁾	1.249	1.249	1.249	1.249
Norway				
Indexation (%) ⁽⁶⁾	2.94	2.94	2.94	2.94
Deposit Interest Rate (%)	1.8	2.5	4.0	4.0
SPC Corporate Tax (%)	27.0	27.0	27.0	27.0
GBP/NOK as at 30 June 2014 ⁽³⁾	10.438	10.438	10.438	10.438
USA				
Indexation (%)	2.50	2.50	2.50	2.50
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Federal tax / Indiana State tax (%)	35.0/4.6	35.0/4.2	35.0/4.2	35.0/4.2
GBP/USD as at 30 June 2014 ⁽³⁾	1.704	1.704	1.704	1.704

⁽¹⁾ All Canadian projects have a 2.0% indexation factor with the exception of North East Stoney Trail and Northwest Anthony Henday Drive which has a slightly different indexation factor which is derived from a basket of regional labour, CPI and commodity indices.

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

⁽³⁾ As published on www.oanda.com

⁽⁴⁾ Cash on Debt Service Reserve Account and Maintenance Service Reserve Account can be invested on a six month basis. Other funds are deposited on a shorter term.

⁽⁵⁾ Including Solidarity charge, excluding Trade tax which varies between communities.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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⁽⁶⁾ Indexation of revenue based on basket of four specific indices.

Discount rate sensitivity

The discount rates used for the valuation of individual assets range between 8.00% and 10.50% which, on a weighted average basis, is approximately 8.42%. 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 fair value through profit and loss investments would impact equity and profit or loss (after considering deferred tax impact) as follows:

	Decrease by 1%		Increase by 1%	
	Equity	Profit or loss	Equity	Profit or loss
<i>Effects in thousands of Pounds Sterling</i>				
30 June 2014	47,403	47,403	(40,440)	(40,440)
31 December 2013	34,900	34,900	(29,713)	(29,713)

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>				
30 June 2014	34,425	34,425	(28,721)	(28,721)
31 December 2013	27,359	27,359	(25,762)	(25,762)

Foreign exchange rate sensitivity

	Increase by 10% ⁽¹⁾		Decrease by 10% ⁽¹⁾	
	Equity	Profit or loss	Equity	Profit or loss
<i>Effects in thousands of Pounds Sterling</i>				
30 June 2014	(21,695)	(21,695)	26,516	26,516
31 December 2013	(16,795)	(16,795)	20,528	20,528

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

Deposit rate sensitivity

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

	Increase by 1%		Decrease by 1%	
	Equity	Profit or loss	Equity	Profit or loss
<i>Effects in thousands of Pounds Sterling</i>				
30 June 2014	11,526	11,526	(11,088)	(11,088)
31 December 2013	8,496	8,496	(8,431)	(8,431)

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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 estimated forward exchange rates are determined by counterparty banks.

The gain on the valuation of foreign exchange forwards for the six months ended 30 June 2014 amounted to £63,000 (30 June 2013: £163,000).

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 fair value of these assets and liabilities, for the purpose of fair value disclosure, are classified under level 3.

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) recognized at fair value in different levels as of 30 June 2014:

	Level 1	Level 2	Level 3	Total
<i>In thousands of Pounds Sterling</i>				
Investment at fair value through profit or loss	-	-	436,851	436,851
Derivative financial asset or (liability)	-	980	-	980

The following table shows the grouping of assets (liabilities) recognized at fair value in different levels as of 31 December 2013:

	Level 1	Level 2	Level 3	Total
<i>In thousands of Pounds Sterling</i>				
Investment at fair value through profit or loss	-	-	324,051	324,051
Derivative financial asset or (liability)	-	1,262	-	1,262

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

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	30 June 2014	31 December 2013
<i>In thousands of Pounds Sterling</i>		
Balance at 1 January	324,051	218,116
Acquisitions of FVPL investments	108,340	97,852
Income from FVPL investments	20,922	25,429
Receivables acquired as a result of acquisition	2,048	-
Distributions received	(18,510)	(17,346)
	436,851	324,051

The impact of unrealized foreign exchange gain or loss on the investments at fair value through profit or loss for the six months ended 30 June 2014 amounted to £4.0 million loss (31 December 2013: £11.4 million loss).

The fair value of investments at fair value through profit or loss is determined using future cash flows (using certain macroeconomic assumptions for the cash flows which include indexation rates, deposit interest rates, corporate tax rates and foreign currency exchange) related to the specific projects. The cash flows are discounted at the applicable discount rate for companies involved in service concession projects. A material change in the macroeconomic assumptions and discount rates used for such valuation could have a significant impact on the reported fair values of such assets.

13. Subsidiaries acquired

As a result of the acquisitions of PPP/PFI projects in the period (see Note 7), the Company has also acquired several legal entities which are considered as subsidiaries as follows:

SPCs	Project name	Country of Incorporation	Effective Ownership interest	Date acquired
MG Bridge Investments Limited	Mersey Gateway	UK	100%	March 2014
Lagan College Education Partnership (Holdings) Limited	Lagan College	UK	100%	May 2014
Lagan College Education Partnership Limited	Lagan College	UK	100%	May 2014
Highway Management (City) Holding Limited	M1 Westlink	UK	100%	June 2014
Highway Management (City) Finance plc	M1 Westlink	UK	100%	June 2014
Highway Management (City) Limited	M1 Westlink	UK	100%	June 2014
Bilfinger East End Holdings Inc.	ORB	USA	100%	January 2014
BBPI Sentinel Holding Trust	NTSF	Australia	100%	March 2014
BBPI Member Trust	NTSF	Australia	100%	March 2014
BBPI Sentinel Holdings Pty Ltd	NTSF	Australia	100%	March 2014
BBPI Sentinel Pty Ltd	NTSF	Australia	100%	March 2014

As a result of the additional acquisitions of shares in the LIFT projects (see Note 7), the Company also has acquired more than 50% effective interest in the following entities:

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SPCs	Project name	Country of Incorporation	Effective Ownership interest	Date acquired
GB Consortium 1 Limited	LIFT	UK	88.9%	2012 to 2014*
North London Estate Partnerships Limited	LIFT	UK	53.3%	2012 to 2014*
Liverpool and Sefton Health Partnership Limited	LIFT	UK	53.3%	2012 to 2014*
Forest Vale Fundco Limited	LIFT	UK	53.3%	2012 to 2014*
FMH Fundco Limited	LIFT	UK	53.3%	2012 to 2014*
AEL Fundco Limited	LIFT	UK	53.3%	2012 to 2014*
CPP Fundco Limited	LIFT	UK	53.3%	2012 to 2014*
KHC Fundco Limited	LIFT	UK	53.3%	2012 to 2014*
MCDC Midco Limited	LIFT	UK	53.3%	2012 to 2014*
GOS Fundco Limited	LIFT	UK	53.3%	2012 to 2014*
TPM Fundco Limited	LIFT	UK	53.3%	2012 to 2014*
MCDC Fundco Limited (UK)	LIFT	UK	53.3%	2012 to 2014*

* various dates during 2012 to 2014 (see also Note 7)

Aside from the above there are no additional subsidiaries acquired/established during the six months period ended 30 June 2014.

14. Related parties and key contracts

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

Supervisory Board fees

The members of the Supervisory Board of the Company were entitled to a total of £70,000 in fees for the six months ended 30 June 2014 (30 June 2013: £66,703). There are no outstanding amounts due as of 30 June 2014.

Directors' shareholding in the Company

	30 June 2014	31 December 2013
<i>In thousands of shares</i>		
David Richardson	155	152
Colin Maltby	102	100
Frank Schramm	176	172
Duncan Ball	176	172
Michael Denny	36	35
	645	631

Remuneration of the Management Team

Under the current remuneration programme, all employees of BBGI Management HoldCo are entitled to an annual base salary payable monthly in arrears, which is reviewed annually by the Management Board. Certain senior executives are entitled to a fixed fee under their service contract. These executives are also entitled to participate in a short-term incentive plan ("STIP") and a long-term incentive plan ("LTIP"). Compensation under the executive's service contracts is reviewed annually by the Supervisory Board.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the six months ended 30 June 2014 (continued)

The total short term and other long term benefits provided to key management personnel are as follows:

<i>In thousands of Pounds Sterling</i>	30 June 2014	30 June 2013
Short-term benefits	544	402
Other long term benefits	103	110
	647	512

Receivable component of FVPL Investments

As of 30 June 2014, the receivable component of FVPL investments amounted to £173,489,000 (31 December 2013: £121,820,000). The fixed interest charged on the receivables ranges from 3.95% to 13.5% per annum (see also Note 7). The receivables have expected repayment dates from 2016 to 2045.

Trade and other receivables

Trade and other receivables include a short-term receivable from a project amounting to £774,000 (31 December 2013: £774,000). The remaining amount pertains to third party receivables.

15. Commitments and Contingencies

Acquisition Agreement with Bilfinger Group

On 15 November 2013, The Company announced that it signed an acquisition agreement with Bilfinger Group ("Bilfinger") in relation to the acquisition of interests in 11 pipeline assets for £204 million (purchase price using foreign exchange rates at the time of acquisition), subsequently reduced to £154 million as a result of a third party shareholder exercising pre-emption right on one of the assets.

As of 30 June 2014, 9 out of the remaining 10 pipeline assets under the acquisition agreement have been acquired.

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

The Group has not entered into, and is not aware of, any other significant commitments and contingencies as of 30 June 2014 aside from those already disclosed in the condensed consolidated interim financial statements.

16. Subsequent events

In July 2014, the Group completed the acquisition of a further 12.5% of the equity and 10% of the sub-debt interest in the Mersey Care project from GB Partnerships Investments Limited. BBGI now owns 76.2% of the equity and 80.0% of the sub-debt in the Mersey Care project.

Cautionary Statement

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

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

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

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

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

In addition, the Business 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 which are significant to BBGI SICAV S.A. and its subsidiaries when viewed as a whole.