

## Bilfinger Berger Global Infrastructure

### Review of Results

for the period  
3 October to 31 December 2011

[www.bb-gi.com](http://www.bb-gi.com)



# Bilfinger Berger Global Infrastructure (BBGI or the Company)

## Company Overview

- Closed-ended Luxembourg investment company
- Premium listing on the main market of the London Stock Exchange
- Current market capitalization of approximately £225 million
- Global, geographically diversified seed portfolio of high quality PPP/PFI infrastructure assets (the “Seed Portfolio”) with strong yield characteristics:
  - Operational (or near operational) assets
  - Focus on social infrastructure and availability-based roads infrastructure
  - Stable cash flows with attractive inflation protection characteristics
  - Potential value upside from active management of the portfolio
- Strong pipeline of future investment opportunities
- Minimum 5.5% target dividend yield based on issue price\*
- 7%-8% target IRR based on issue price\*
- Experienced PPP/PFI in-house management team

Note: \*These are targets only and not profit forecasts. There can be no assurance that these targets will be met.

## BBGI at a glance

- 1 Global, diversified high quality portfolio
- 2 Significant weighting to availability-based road projects
- 3 Potential value upside from active management of existing portfolio
- 4 Strong pipeline of future investment opportunities
- 5 Attractive inflation-linked cash flows
- 6 Internally managed fund with highly experienced management team

# BBGI Highlights

## Since Admission

- Premium listing on the main market of the London Stock Exchange on 21 December. Target fund raise of £ 212m achieved and significantly over-subscribed.
- Since admission the shares have traded at a premium to net asset value (£0.98 per ordinary share) and closed the year at £1.04. Share price continues to trade at a premium to net asset value.
- BBGI shares were included in the FTSE Small Cap and All Share indices on 19 March 2012.
- The transfer of the assets from Bilfinger Berger Project Investments to BBGI has progressed in an orderly manner in the first quarter of 2012:
  - Consents have been obtained for approximately 98.5% of the seed portfolio by value.
  - 41.9% by value now transferred (Golden Ears Bridge - Canada, Kicking Horse Canyon - Canada, Royal Women's Hospital – Australia and Victoria Prisons- Australia).
  - BBGI and its shareholders receive the economic benefit of the cash flows arising from the seed portfolio from 1 October 2011 onwards.
  - Pending completion of transfer of each asset, BBGI has benefitted from interest earned on amounts held on deposit pending completion of the purchases.
- Management team has been strengthened with the hiring of 4 personnel in addition to 3 on the Management Board
- BBGI proposes a dividend of 0.45p per share for the period from admission on 21 December to 31 December 2011.

# Financial Results

Results for the period 3 October to 31 December 2011

Consolidated Statement of Comprehensive Income	
kGBP	3 October to 31 December 2011
Custodian fees	(21)
Audit fees	(39)
Legal fees	(55)
Insurance	(2)
Directors' fees	(24)
Administration expenses	(46)
Salaries	(34)
Other operating expenses	(9)
<b>Results from operating activities</b>	<b>(230)</b>
Interest income	42
<b>Results from financing activities</b>	<b>42</b>
<b>Loss before tax</b>	<b>(188)</b>
Tax expenses	(8)
<b>Loss for the period attributable to owners of the Company</b>	<b>(196)</b>
<b>Total comprehensive loss for the period attributable to owners of the Company</b>	<b>(196)</b>
<b>Earnings per share – basic and diluted (pence)</b>	<b>(0.462)</b>

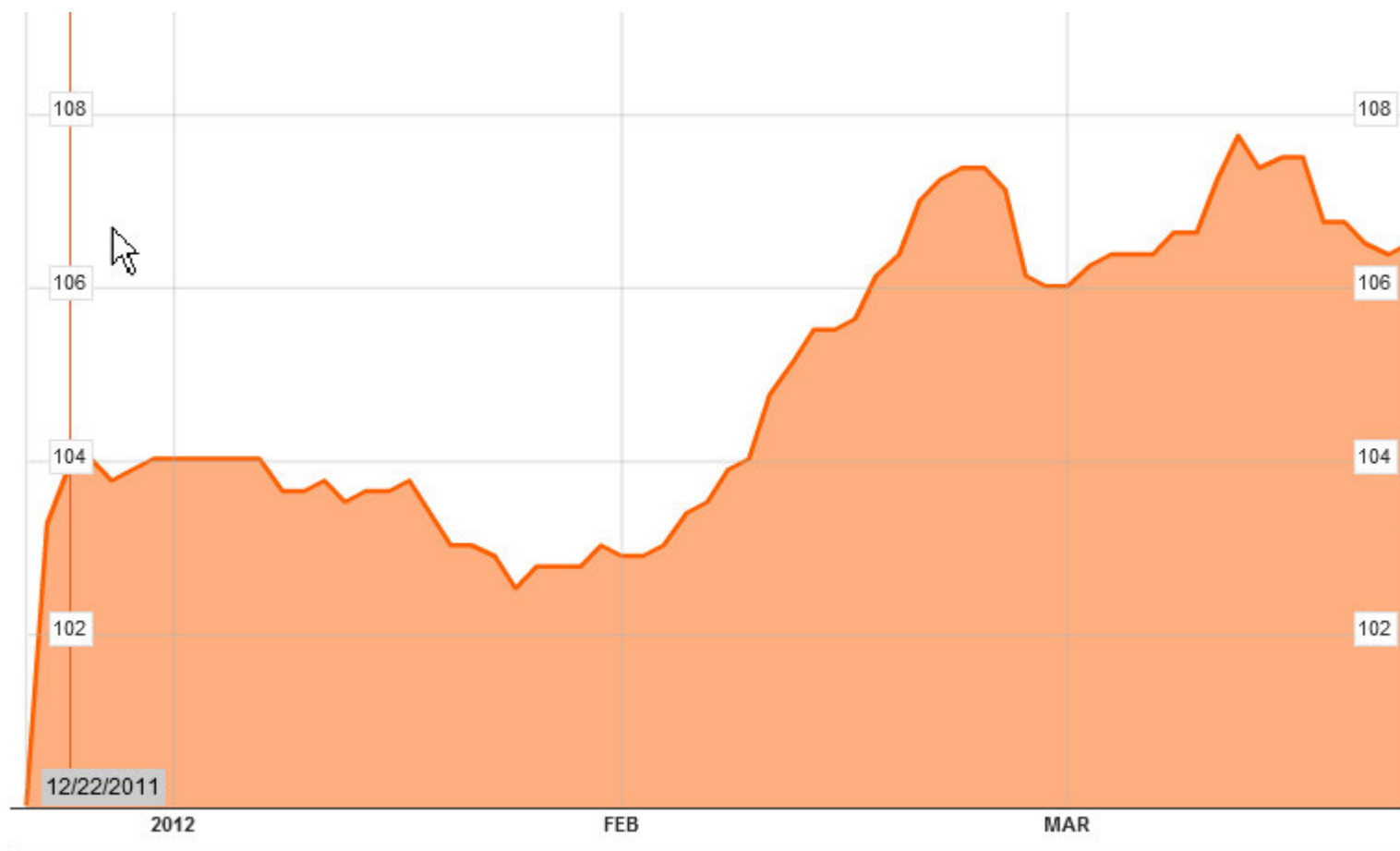
# Financial Results

As at 31 December 2011

Balance Sheet	
kGBP	31 December 2011
<b>Assets</b>	
Cash and cash equivalents	207,800
Current assets	207,800
<b>Total assets</b>	<b>207,800</b>
<b>Equity</b>	
Share capital	207,760
Retained earnings	(196)
<b>Equity attributable to owners of the Company</b>	<b>207,564</b>
<b>Total equity</b>	<b>207,564</b>
<b>Liabilities</b>	
Trade and other payables	228
Tax payables	8
<b>Total liabilities</b>	<b>236</b>
<b>Total equity and liabilities</b>	<b>207,800</b>
<b>Net asset value</b>	<b>207,564</b>
<b>Net asset value per ordinary share (pence)</b>	<b>97.907</b>

# Share Price Performance




















Since Admission



BBGI is currently trading at a premium of approximately 8.5%



# Global Seed Portfolio

Roads				
	Northwest Anthony Henday	Golden Ears Bridge	Kicking Horse Canyon	M80 Motorway**
				
	Scottish Borders Schools	Clackmannanshire Schools	Kent Schools	Bedford Schools
Education				
	Coventry Schools	East Down College	Lisburn College	
				
	Royal Women's Hospital Australia	Gloucester Hospital	Liverpool & Sefton Clinics (LIFT*)	Barnet & Haringey Clinics (LIFT*)
Healthcare				
	Victoria Prisons	Burg Prison		
Justice				
	Staffordshire Fire Stations	Unna Administrative Centre**		
Other				

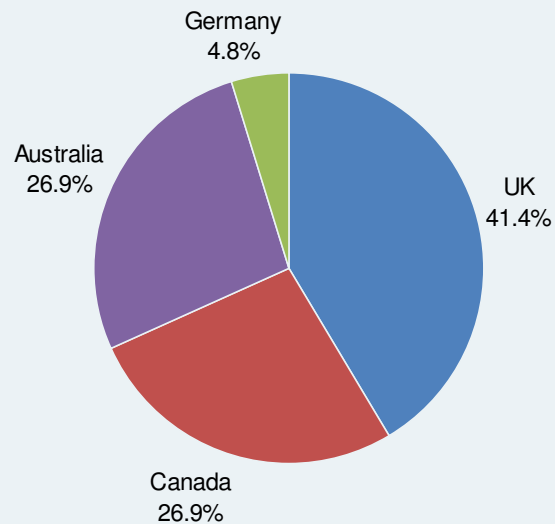
Note: \*LIFT schemes are schemes procured under the UK National Health Service LIFT (Local Improvement Finance Trust) programme

\*\* The transfer of the initial 50% per cent of the shares and voting interest of M80 Motorway is now planned in the 2<sup>nd</sup> or 3<sup>rd</sup> quarter of 2012. Furthermore the transfer of Unna Administrative Centre is still pending final consent from the public client.

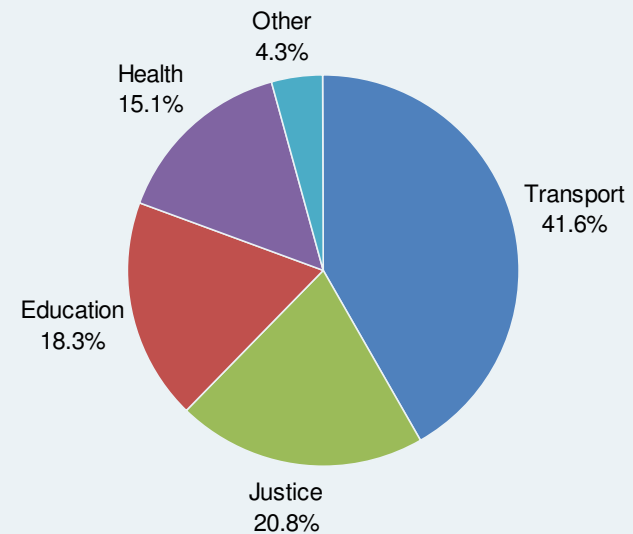


## Geographically and sector diversified seed portfolio

BBGI portfolio geographical split



BBGI portfolio split by sector



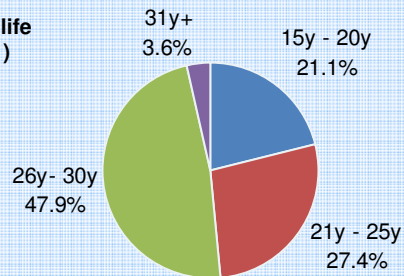
Attractive mix of country and sector exposure

Assumes acquisition of full seed portfolio based on the valuation as at the date of the prospectus

## Well balanced, diversified seed portfolio

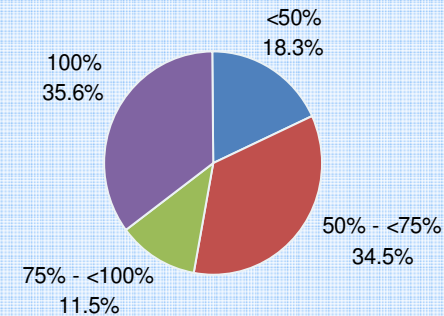
### Duration of concessions

**Weighted average life**  
25.7 yrs (Dec. 2011)



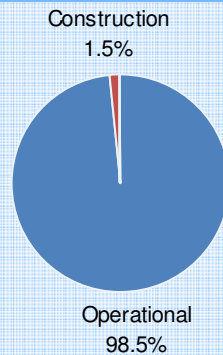
**78.9% of assets with a duration >20 years**

### BBGI control of project assets



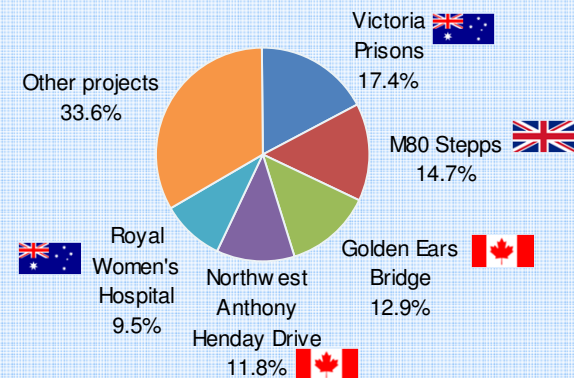
**Over 81% of assets controlled, a significant proportion 100% owned**

### % of operational assets by December 2011\*



**98.5% of projects are operational**

### Portfolio concentration



**Well diversified portfolio with no major single asset exposure**

Note: \*The North West Anthony Henday Drive project has been certified operational but with certain outstanding construction obligations required to be completed by mid 2012; Completion certificate outstanding for M80 motorway project. Assumes acquisition of full seed portfolio based on the valuation as at the date of the prospectus

## Outlook for 2012



- In advanced discussions with lenders for a £35 million credit facility. Facility is expected to be in place in Q2 2012
  - Avoided paying standby fees until facility is needed
- Attractive acquisition opportunities expected from Bilfinger Berger Project Investment pipeline
- Bilfinger Berger Project Investments could offer a package of 4-5 projects with nominal equity of up to EUR 50 million to BBGI
- Value enhancement opportunities progressing as expected

## Outlook for PFI Infrastructure Sector

- Acquisition opportunities continue:
  - While primary activity in UK has slowed, secondary market remains active
  - Secondary activity could slow in the UK in 2-3 years due to the weak current pipeline of primary opportunities
  - Global activity remains strong. PFI continues in markets outside of the UK
  - Further acquisition opportunities expected to come to the market in 2012
- While there has been criticism of the PFI model in the UK, PFI remains an attractive delivery model in many parts of the world
- Primary activity remains strong in Canada, Australia and parts of Europe
- While austerity is a common global theme, infrastructure investment is seen as a good form of fiscal stimulus by many governments

## Seed Portfolio valuation

### Discount Rate

- Weighted average discount rate of 8.55%
- Portfolio is 98.5% operational

### Valuation verification

- Independent review carried out by PricewaterhouseCoopers
- Valuation assumptions to be sensitised and tested

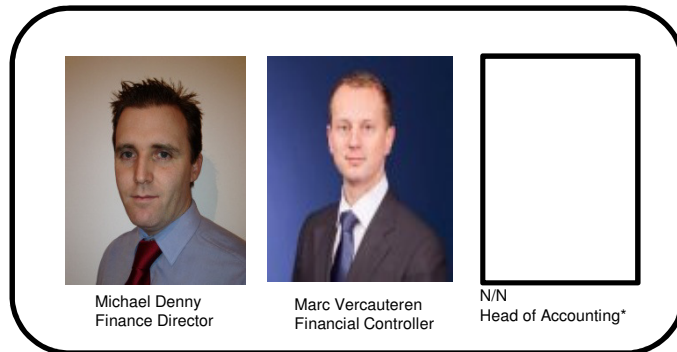
### Ongoing valuation

- Semi-annual independent review – first one June 2012

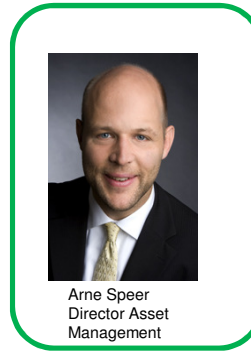
## Internally managed with experienced management team



### Finance and Reporting



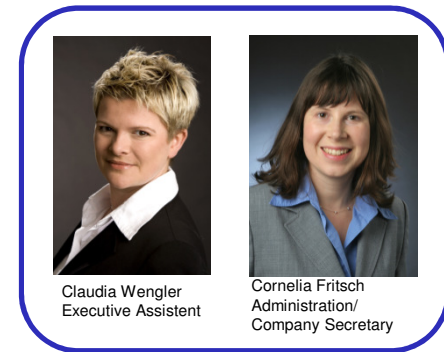
### Asset Management



### BBGI Holding Ltd.



### Support



\* Recruiting process to be finalised shortly

## Summary

- Strong start to 2012
- Global, geographically diversified high quality portfolio
- Stable cash flows with attractive inflation protection characteristics
- Value upside from existing portfolio
- Strong pipeline of follow on investments
- Internally managed fund with highly experienced management team



## Key characteristics of fund

The Company	<ul style="list-style-type: none"> <li>▪ Luxembourg SICAV</li> <li>▪ Chapter 15 Premium Listing on the UK Official List</li> <li>▪ £ denominated shares</li> <li>▪ Tax efficient structure</li> </ul>
Investment policy	<ul style="list-style-type: none"> <li>▪ Infrastructure assets – PPP/PFI or equivalent</li> <li>▪ Principally operational assets and availability based revenues</li> <li>▪ Public sector-backed counterparties with diverse risk profiles and a history of PFI success</li> <li>▪ Single asset target limit of 20% of portfolio, subject to 25% maximum</li> <li>▪ Construction assets limited to maximum 25% of portfolio</li> <li>▪ Demand based assets limited to maximum 25% of portfolio</li> </ul>
Seed Portfolio	<ul style="list-style-type: none"> <li>▪ Fully seeded portfolio of up to 19 projects at an acquisition price of c.£206m. Independently valued by PwC</li> <li>▪ Weighted average concession length of 25.7 years allowing for maximisation of returns</li> <li>▪ Diverse asset mix with a focus on lower risk, availability road projects</li> </ul>
Gearing	<ul style="list-style-type: none"> <li>▪ Prudent use of leverage with a maximum ratio of 33% of portfolio value</li> </ul>
Further investments	<ul style="list-style-type: none"> <li>▪ Pipeline agreement with BBPI should provide an attractive flow of future opportunities</li> </ul>
Management	<ul style="list-style-type: none"> <li>▪ Board to be supported by experienced internal management team with extensive PPP/PFI experience</li> <li>▪ Supervised by experienced Supervisory Board</li> <li>▪ Performance based incentivisation (short and long term)</li> </ul>
Dividend yield	<ul style="list-style-type: none"> <li>▪ Initial target rate of 5.5% yield with the aim of progressively increasing this over the longer term*</li> </ul>
IRR	<ul style="list-style-type: none"> <li>▪ Target IRR of 7-8%*</li> </ul>
Ongoing costs	<ul style="list-style-type: none"> <li>▪ Estimated annual TER of c. 1.5%* on opening NAV</li> </ul>
Discount Management	<ul style="list-style-type: none"> <li>▪ Discretionary share repurchases and tender offer authorities</li> <li>▪ Continuation vote in 2015 and subsequently every 2 years</li> </ul>
Financial year end	<ul style="list-style-type: none"> <li>▪ 31<sup>st</sup> December</li> </ul>

Note: \*These are targets only and not profit forecasts. There can be no assurance that these targets will be met.

## Appendices

## High quality Seed Portfolio will comprise 19 PPP projects\*

Sector	Project	Country	Share of Seed Portfolio %**	Concession length at time of sale (years)	Equity stake %
<b>Roads</b>	Golden Ears Bridge	Canada	12.9	29.8	50
	Kicking Horse Canyon	Canada	2.1	19.3	50
	M80 Motorway	UK	14.7	30.0	24.9^
	Northwest Anthony Henday Drive	Canada	11.8	30.3	50
<b>Education</b>	Bedford Schools	UK	2.4	24.3	100
	Clackmannanshire Schools	UK	4.6	27.5	100
	Coventry Schools	UK	1.7	23.3	100
	East Down Colleges	UK	1.1	24.8	50
	Kent Schools	UK	3.7	24.0	50
	Lisburn College	UK	0.9	24.8	50
	Scottish Borders Schools	UK	3.9	27.3	75
<b>Healthcare</b>	Barnet & Haringey Clinics (LIFT)	UK	1.5	32.0***	26.7
	Gloucester Hospital	UK	1.9	22.5	50
	Liverpool & Sefton Clinics (LIFT)	UK	2.1	32.0***	26.7
	Royal Women's Hospital	Australia	9.5	21.8	100
<b>Justice</b>	Burg Prison	Germany	3.3	22.8	90
	Victoria Prisons	Australia	17.4	20.0	100
<b>Other</b>	Stoke on Trent & Staffordshire Fire and Rescue Service	UK	2.8	25.3	85
	Unna Administrative Center	Germany	1.5	20.0	90^^
			<i>Weighted average concession length</i>		25.7^^^

Note: \* Assuming that the Seed Portfolio is acquired in full

\*\* Based on management estimate of project NAV at time of sale

\*\*\* Reflects duration of expected cash flows

^ The interest in the M80 project is expected to increase to 50% in September 2012 pursuant to a deferred element under the acquisition agreement. In addition the Company will initially acquire a 50% interest in the debt of the Project Entity.

^^ Entitled to 100% of cash flows

^^^ as at 31 December 2012

# External growth: strong potential from BBPI-identified pipeline

It is expected that within the next five years 13 projects currently being developed by BBPI with an anticipated aggregate investment value of >£270m will become available

## Commentary

### Pipeline agreement:

- Access to BBPI's pipeline of development opportunities
- Pipeline agreement with BBPI grants preferential rights to BBGI until end 2016 and provides ability to grow without entering into auction process
- Year 1: right of first refusal\* for 3 defined projects
- Years 1-5: right of first offer for at least 9 further projects
- In all instances no obligation to purchase
- All transactions will be reported on by a third party valuer

In addition, potential to acquire further stakes in 4 projects in the Seed Portfolio

## Projects

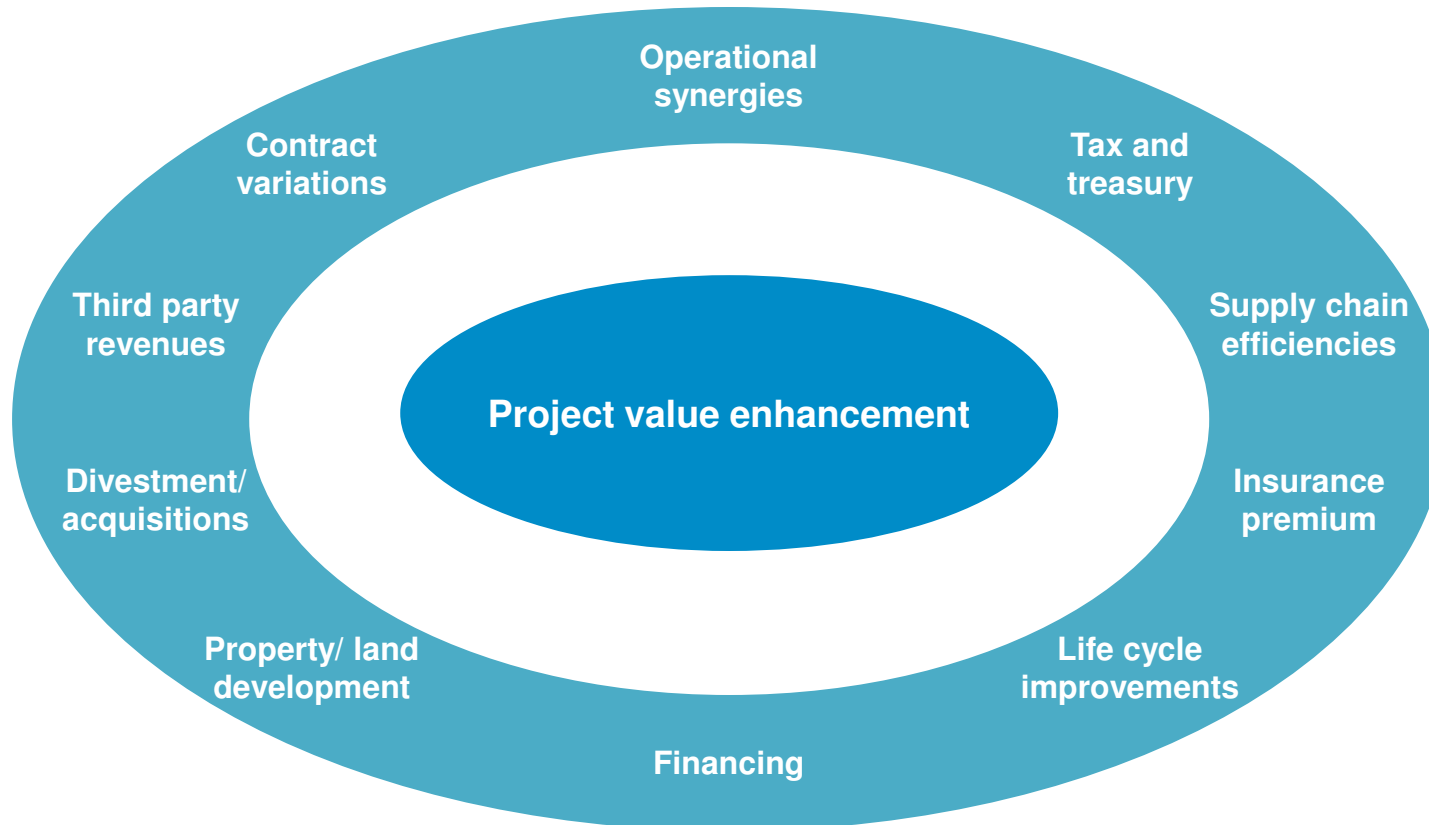


Ability to more than double portfolio without engaging in auctions

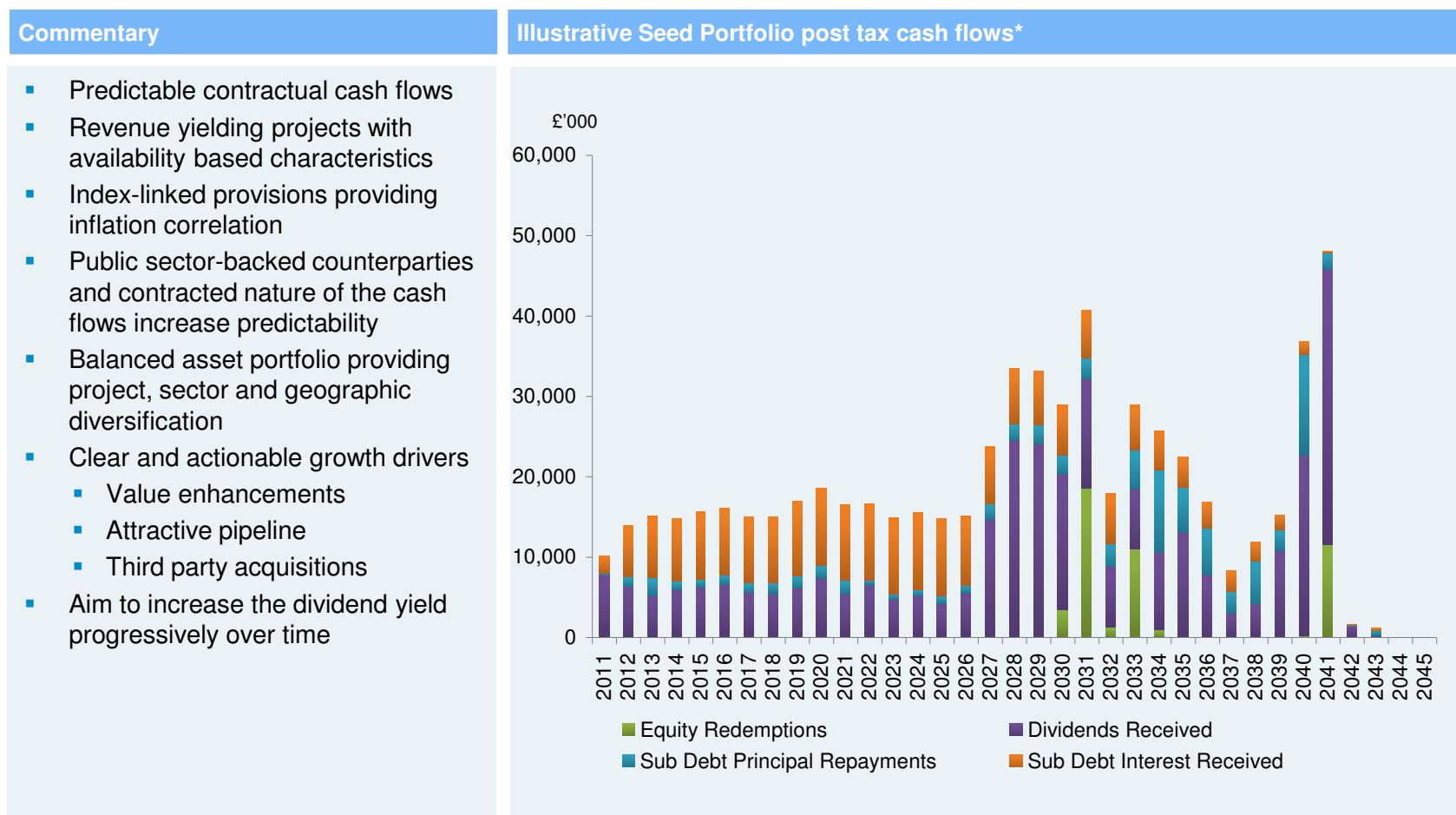
Note:\*May be acquired by BBGI on agreed valuation basis should BBPI decide to sell in 2012.  
Pipeline agreement subject to contractual termination rights

# Value enhancement opportunities

The management team has detailed knowledge of the Seed Portfolio and has already identified significant potential value enhancement opportunities.

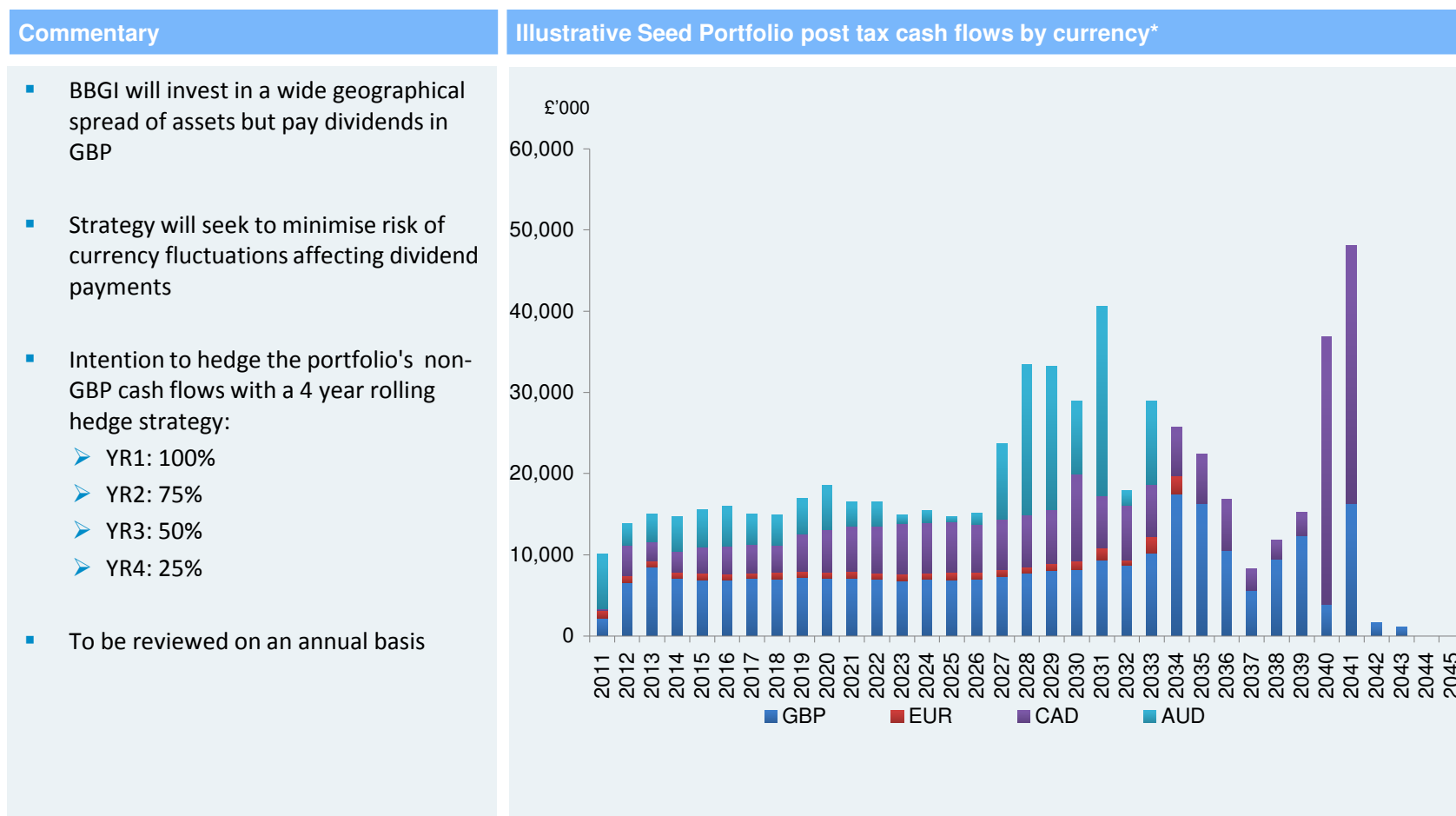


## Target dividend yield is achievable based on illustrative cash flows\*



Note: \*All figures assume that the Seed Portfolio is acquired in full. These figures do not represent profit forecasts for the Seed Portfolio and are for illustrative purposes only. The hypothetical projected cash flows do not take into account any unforeseen costs, expenses or other factors which may affect the Seed Portfolio assets and therefore the impact on the cash flows to the Company. As such, the graph above should not in any way be construed as forecasting the actual cash flows from the Seed Portfolio. The inclusion of this graph should not be construed as forecasting in any way the actual returns from the Seed Portfolio. Before enhancements and acquisitions.

## Stability of cash flows - protection through currency hedging



Note: \*All figures assume that the Seed Portfolio is acquired in full. These figures do not represent profit forecasts for the Seed Portfolio and are for illustrative purposes only. The hypothetical projected cash flows do not take into account any unforeseen costs, expenses or other factors which may affect the Seed Portfolio assets and therefore the impact on the cash flows to the Company. As such, the graph above should not in any way be construed as forecasting the actual cash flows from the Seed Portfolio. The inclusion of this graph should not be construed as forecasting in any way the actual returns from the Seed Portfolio. Before enhancements and acquisitions.

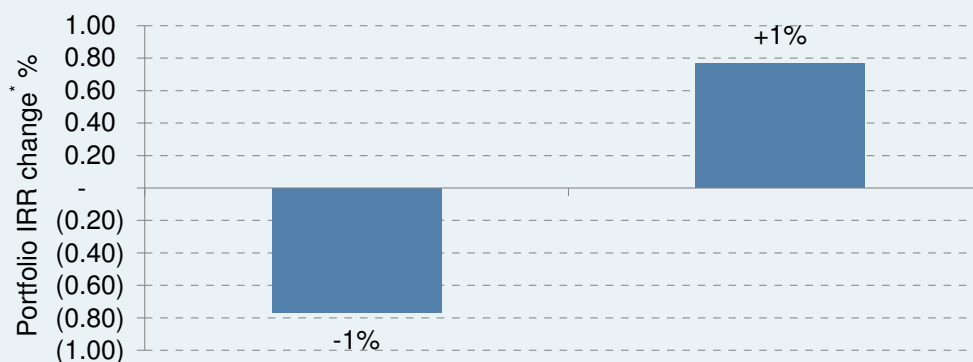


## Stability of cash flows - supported by strong inflation linkage

### Commentary

- Availability fees are fully or partially indexed
- Index-linked provisions providing inflation correlation
- 1% increase in inflation results in a 71bps increase in return

### +/- 1% inflation sensitivity of portfolio IRR



### Inflation assumptions

#### Conservative base case inflation assumptions by country:

	Short term (2 years)	Long term
UK	3.25%	2.75%
Canada**	2.00%	2.00%
Australia	2.50%	2.50%
Germany	2.00%	2.00%

Note: \*All figures assume that the Seed Portfolio is acquired in full. Calculated on underlying project cashflows only (excluding BBGI expenses, taxes and working capital requirement)

\*\*Northwest Anthony Henday Drive (in Alberta) inflation assumption is 2.35%

## BBGI Board structure & Management

Supervisory Board		
<b>David Richardson</b>	Independent, Chairman	▪ Senior Independent Director Serco Group, Chairman of London Stock Exchange Primary Markets Group
<b>Colin Maltby</b>	Independent, Non-executive	▪ Non-executive director of various investment funds, incl. BlackRock Absolute Return Strategies Ltd, HarbourVest Senior Loans Europe Ltd.
<b>Howard Myles</b>	Independent, Non-executive	▪ Non-executive director of various investment funds, incl. Aberdeen Private Equity Fund Ltd, BlackRock Hedge Selector Ltd
<b>Thomas Töpfer</b>	BBPI nominee, Non-executive	▪ Member of the board of BBSE, responsible for Industrial Services, Project Investments and HSEQ
Management Board		
<b>Frank Schramm</b>	Joint CEO	▪ >15 years experience, 8 years with BBPI
<b>Duncan Ball</b>	Joint CEO	▪ >15 years experience, 3 years with BBPI
<b>Arne Speer</b>	Director Asset Management	▪ >15 years experience, 9 years with BBPI

## **BBGI team is independent and aligned with shareholder interests – no management conflict of interest**

**Management team directly  
employed – no external investment adviser**

**Experienced senior management team  
transferring from BBPI**

**Fully independent of BBPI**

**Management incentivisation scheme**

**Initial expected total expense ratio  
c.1.5% expected to decline  
as portfolio grows**

### **Delivers economic value for shareholder**

- No management charge based on percentage of NAV
- No acquisition fees
- No performance fees

### **Alignment of management and shareholder interests**

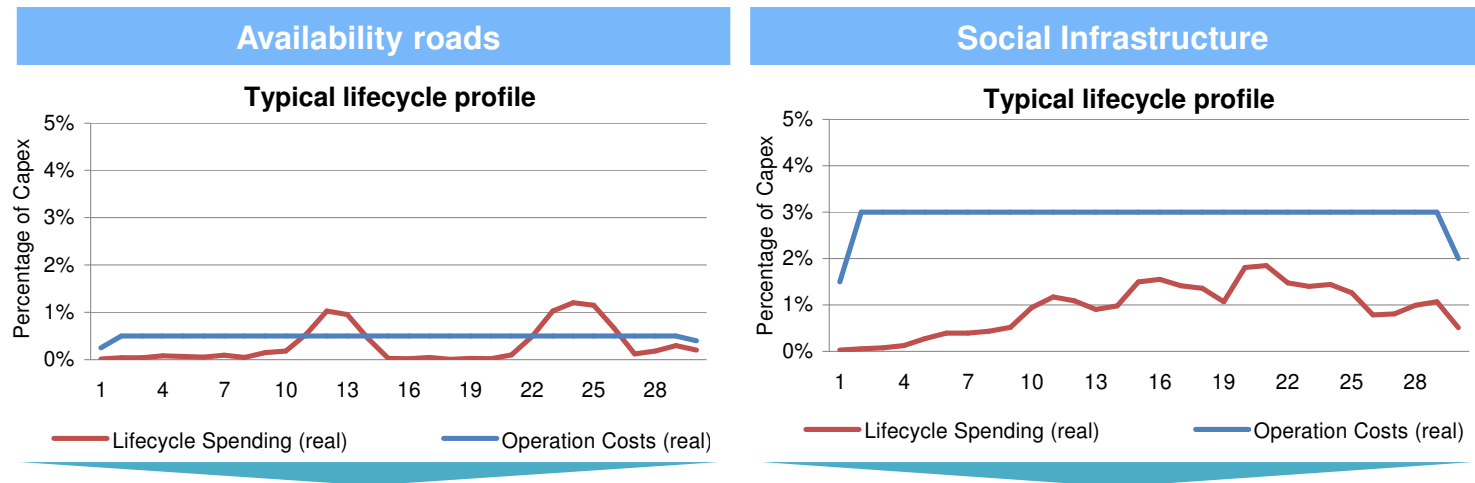
- Management team incentivised based on performance of BBGI over short and long term

### **Full management focus**

- Management not distracted by other investment mandates

## Road assets – lower risk

Lifecycle risk for social infrastructure passed to sub-contractors (except Unna project), but is retained on road assets  
Retention of road lifecycle risk is attractive and can provide upside opportunity



<b>Lifecycle costs</b>	<ul style="list-style-type: none"> <li>▪ c.10% of total capital costs</li> </ul>	<ul style="list-style-type: none"> <li>▪ c.25% – 30% of total capital costs</li> </ul>
<b>Lifecycle spending</b>	<ul style="list-style-type: none"> <li>▪ c.2-3 consolidated main interventions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Several peaks with more even distribution over operating period</li> </ul>
<b>Operational cost</b>	<ul style="list-style-type: none"> <li>▪ c.0.5% (Europe) – 1.5% (Canada) p.a.</li> </ul>	<ul style="list-style-type: none"> <li>▪ c.2% – 9% p.a.</li> </ul>
<b>Maintenance profile</b>	<ul style="list-style-type: none"> <li>▪ Fewer maintenance groups – less complex coordination</li> </ul>	<ul style="list-style-type: none"> <li>▪ Approx. 40 maintenance groups – complex coordination and organisation of maintenance and replacement work</li> </ul>
<b>Client interaction</b>	<ul style="list-style-type: none"> <li>▪ Client is not the main user of the asset and has fewer interfaces</li> </ul>	<ul style="list-style-type: none"> <li>▪ Client is the user of the asset with day-to-day exposure</li> </ul>

## Operator counterparty risk

### Contractor exposure to the Seed Portfolio

Operator	Projects	% of Seed Portfolio
<b>United Group Services</b>	Royal Women's Hospital, Australia Victoria Prisons, Australia	26.9%
<b>BEAR Scotland Ltd</b>	M80 Motorway, UK	14.7%
<b>Capilano Highway Services Ltd</b>	Golden Ears Bridge, Canada	12.9%
<b>Carmacks Maintenance Services Ltd</b>	Northwest Anthony Henday Drive, Canada	11.8%
<b>Amey Business Services Ltd</b>	Borders Schools, UK Clackmannanshire Schools, UK	8.5%
<b>HSG Zander (BB)</b>	Administrative Center Unna, Germany Burg Prison, Germany Gloucester Royal Hospital, UK	6.7%
<b>Integral FM Ltd</b>	Coventry Schools, UK LIFT: Liverpool & Sefton Clinics, UK LIFT: Barnet & Haringey Clinics, UK	5.3%
<b>MITIE PFI Ltd</b>	Kent Schools, UK	3.7%
<b>Other contractors</b>	Bedford Schools, UK East Down Schools, UK Kicking Horse Pass, Canada Lisburn Schools, UK Staffordshire Fire Stations, UK	9.4%

# BBGI presenting team

## Key individuals



**Frank Schramm (Age 43)**  
**Co-CEO**

- Joined BBGI in Dec 2011
- More than 15 years experience in project & structured finance and asset management
- Responsible for over 20 PPP procurements with a project volume in excess of €4bn
- Substantial M&A experience in PPP/PFI transactions
- Has worked on more than 15 PPP transactions
- Previous experience with: Bilfinger Berger BOT, Deutsche Anlagenleasing and Macquarie Bank



**Duncan Ball, CFA (Age 46)**  
**Co-CEO**

- Joined BBGI in Dec 2011
- More than 15 years experience in project finance and asset management
- Responsible for 6 PPP investments with a project volume in excess of €2.5bn
- Substantial M&A experience in PPP/PFI transactions
- Has worked on more than 20 PPP transactions
- Previous experience with: Babcock & Brown, ABN AMRO Bank, Macquarie Bank and RBC Capital Markets