

BAA's regulated airports
Results for 9 months to 30 September 2008

Investor Presentation

November 2008

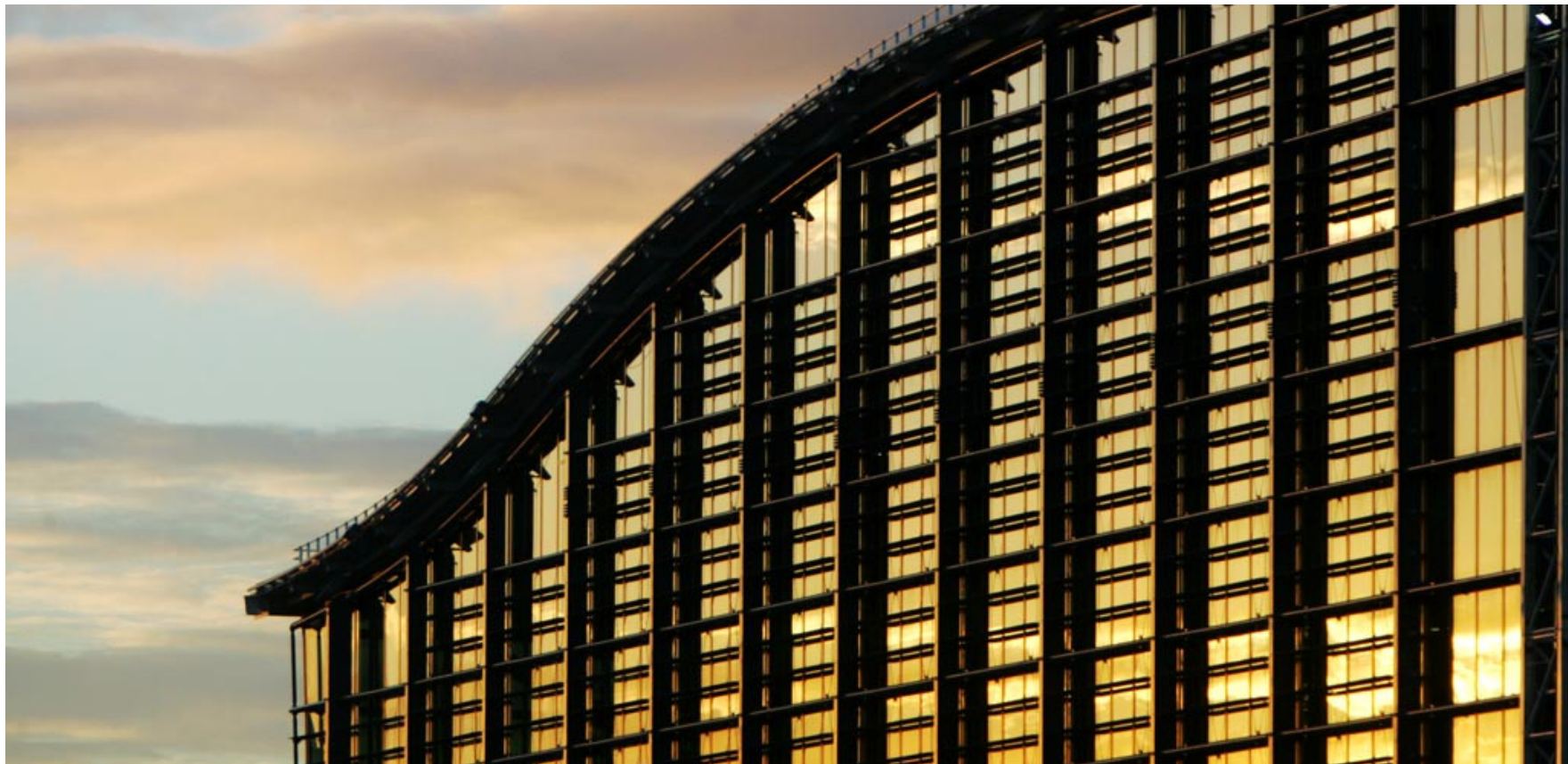


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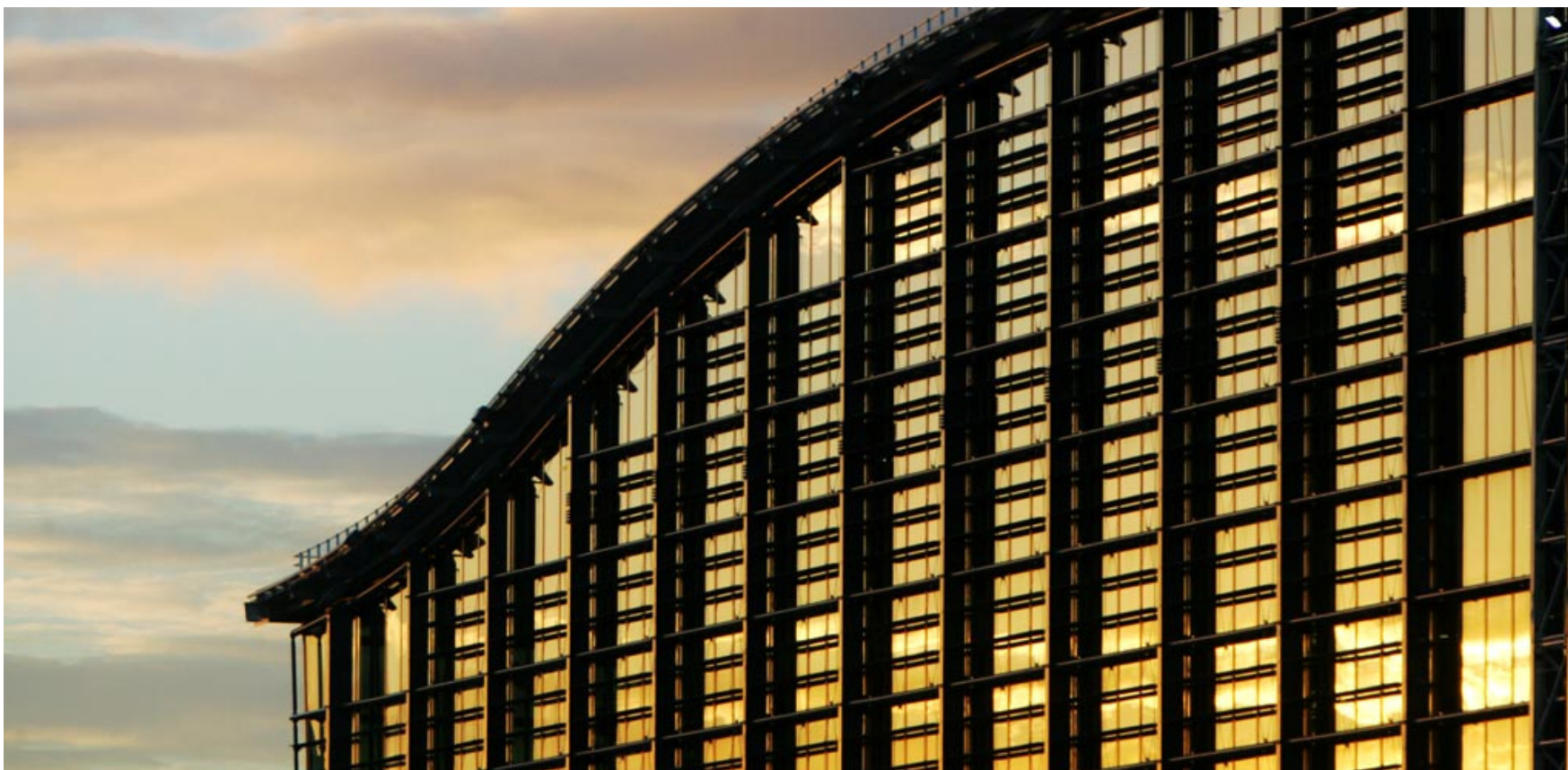


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Summary



Financial and Operational Highlights⁽¹⁾



- ▶ Revenue up 16.0% to £1,721.3 million (2007: £1,484.5 million)
- ▶ EBITDA in line with forecast at £689.0 million (2007: £693.0 million)
- ▶ Passenger traffic down 1.3% to 96.0 million (2007: 97.3 million)
 - ▶ resilience in long haul traffic at Heathrow driven by Open Skies agreement
- ▶ Net debt⁽²⁾ of £9.4 billion at 30 September 2008
 - ▶ £2.7 billion of undrawn operational facilities
- ▶ Cash generated from operations⁽³⁾ of £629.2 million (2007: £637.4 million)
- ▶ Capital investment spent amounting to £767 million

1) Figures for Heathrow airport in this presentation include Heathrow Express on a combined basis

2) External debt for the Security Group. Excludes intra-group loans.

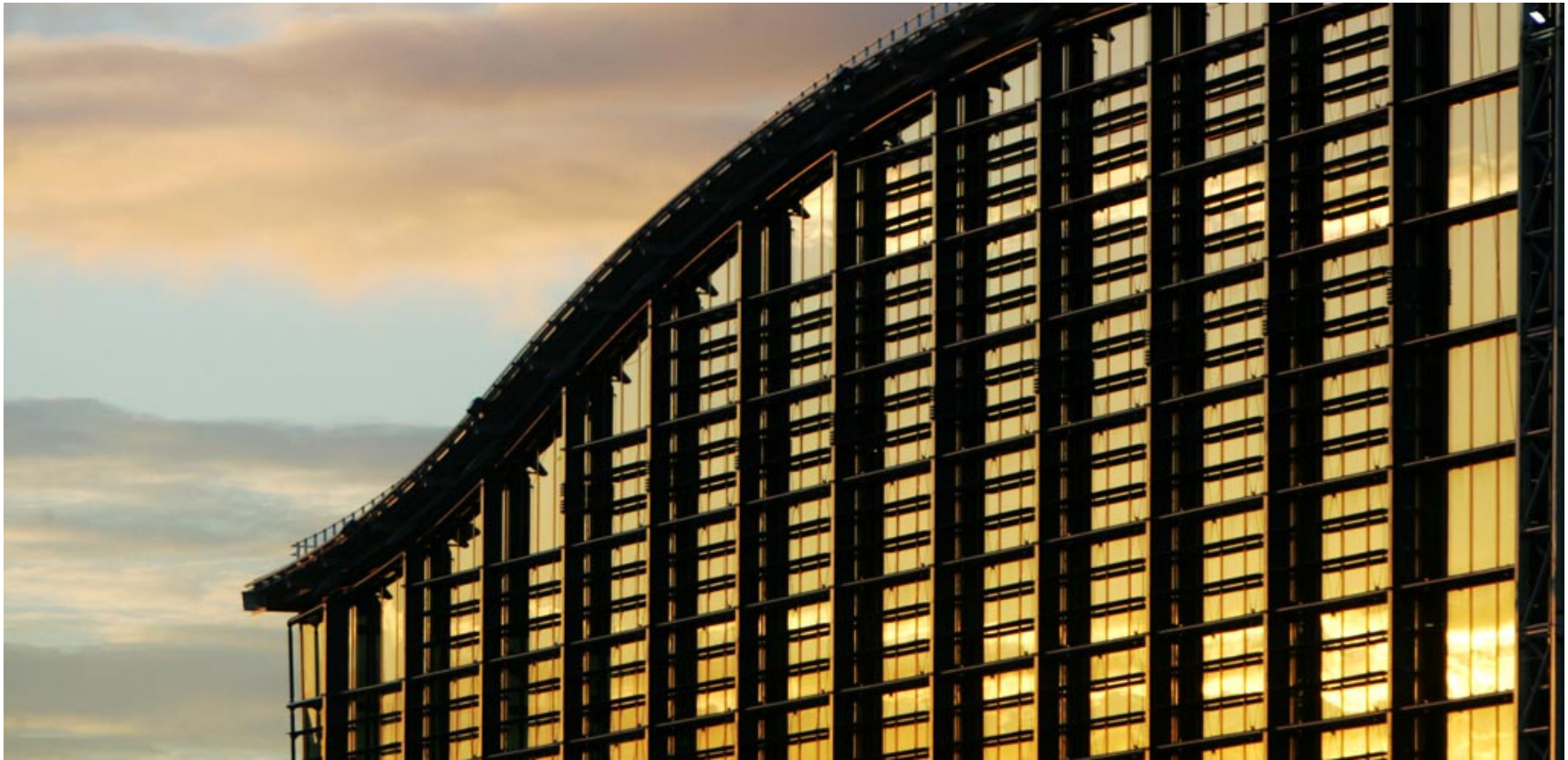
3) Includes intercompany receivable held by group entities in accordance with Shared Services Agreement

Financial and Operational Highlights



- ▶ Refinancing completed in August 2008
 - ▶ repayment of previous senior acquisition financing (£4.9 billion)
 - ▶ repaid £400 million of subordinated acquisition debt
- ▶ Planned disposal of Gatwick airport announced
- ▶ New tariffs at Heathrow and Gatwick phased in from 1 April 2008
- ▶ Competition Commission
 - ▶ provisional findings on BAA ownership of UK airports
 - ▶ recommendation to CAA on Stansted charging
- ▶ DfT approval to increase traffic at Stansted
- ▶ Recent developments – planned disposal of Gatwick and reduced investment at Stansted – mean no further funding required before late 2010

Operational Performance



Recent Passenger Traffic Trends



By Airport

For 9 months to 30 September 2008

	2007 (m)	2008 (m)	Change
Total traffic	97.3	96.0	-1.3%
Heathrow	51.4	51.1	-0.7%
Gatwick	27.4	27.3	-0.1%
Stansted	18.5	17.6	-4.7%

Heathrow's resilience

Over 50% of Regulated Airport's traffic

By Market

For 9 months to 30 September 2008

	2007 (m)	2008 (m)	Change
Total traffic	97.3	96.0	-1.3%
Long haul	33.2	33.1	-0.2%
Domestic ⁽¹⁾	13.7	13.2	-3.6%
European ⁽²⁾	50.4	49.7	-1.4%

Better traffic mix

Long haul resilience

1) Includes traffic to Eire

2) Includes both scheduled and charter traffic

Structure of Aeronautical Tariffs



- ▶ New tariffs agreed with CAA normally every 5 years (a quinquennium)
- ▶ Maximum allowable tariffs expressed as a real amount per passenger, subject to RPI+X% annual indexation
- ▶ Actual charges to airlines split into three basic elements:
 - ▶ departing passenger fees (around 70%)
 - ▶ landing fees (around 20%)
 - ▶ parking fees (around 10%)
- ▶ Each element has detailed charging structure based, for example, on time of day and destination
- ▶ Ultimately, total charges cannot exceed maximum allowable tariff per passenger

Heathrow tariffs⁽¹⁾

2007/08: £10.36
2008/09: £12.80
2009/10 to 2012/13: RPI + 7.5%

Gatwick tariffs⁽¹⁾

2007/08: £5.61
2008/09: £6.79
2009/10 to 2012/13: RPI + 2.0%

Stansted tariffs⁽²⁾

2008/09: £6.34
2009/10: £6.56
2010/11 to 2013/14: RPI + 1.75%

- 1) Reflects tariff formula implemented from 1 April 2008; all figures in 2007/08 prices. Prices rebased to include NATS and certain baggage and fuel levy services for a total of £1.08 at Heathrow and £0.70 at Gatwick.
- 2) For 2009/10 onwards, reflects Competition Commission October 2008 recommendation to CAA; all figures in 2008/09 prices

Recent trends in retail activity



Net retail income per passenger (£)

	YTD Sep 2008	YTD Sep 2007	Variation £	%
Heathrow	4.52	4.49	0.03	0.7%
Gatwick	4.47	4.20	0.27	6.3%
Stansted	3.81	3.72	0.09	2.3%

- ▶ Net retail income remains resilient
 - ▶ Q1 2008: -1% per passenger; Q2 2008: +6.7%; Q3 2008: +7.4%; YTD 2008: +3.1%
- ▶ Pure retail income – duty and tax-free, airside specialist shops, catering and book shops continue to strengthen overall whilst car parks at Heathrow and Stansted are underperforming
- ▶ Retail income still growing in more leisure exposed airports

Service quality

New standards for Heathrow and Gatwick



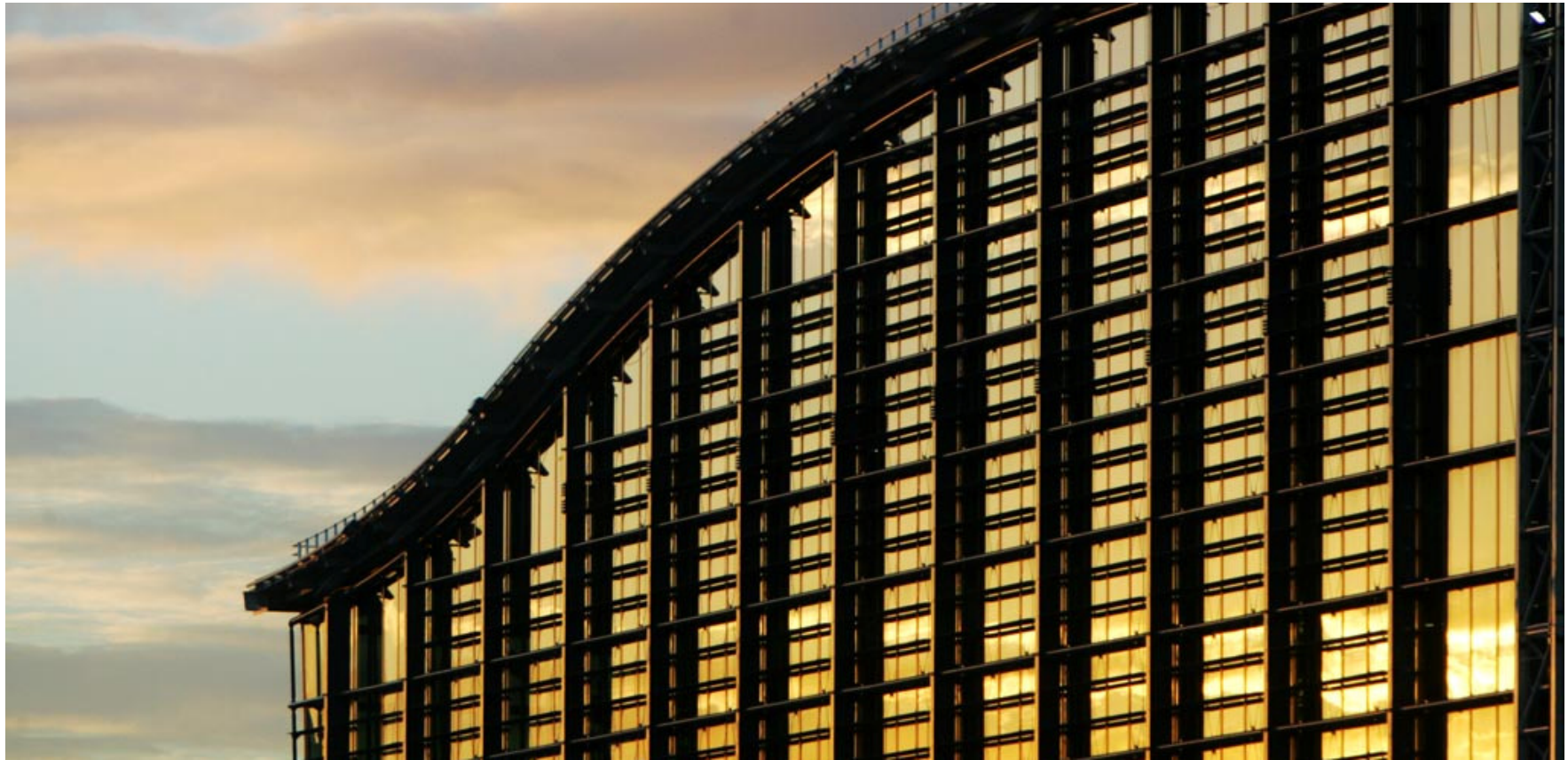
- ▶ New standards for Heathrow and Gatwick introduced from 1 April 2008
- ▶ Service quality rebates totalling £7.3 million paid since April split as follows:
Terminal 5 opened in March 2008 with all British Airways moves successfully completed by October 2008
 - ▶ Q2 rebates were £4.8 million split by £2.9 million at Heathrow and £1.9 million at Gatwick
 - ▶ Q3 rebates were down 48% to £2.5 million with £1.2 million at Heathrow and £1.3 million at Gatwick
- ▶ Security queuing rebates of £0.7 million were paid in Q2 with £0.6 million at Heathrow and £0.1 million at Gatwick. Q3 was above target with no rebates required.
- ▶ Service levels for passenger sensitive equipment have increased significantly:
 - ▶ Heathrow rebates declining 31% from Q2 to Q3
 - ▶ Gatwick reducing 100% with no rebates required in Q3
- ▶ A similar service scheme is being recommended by the CAA for Stansted to commence in April 2009

Major Airport Developments in 2008

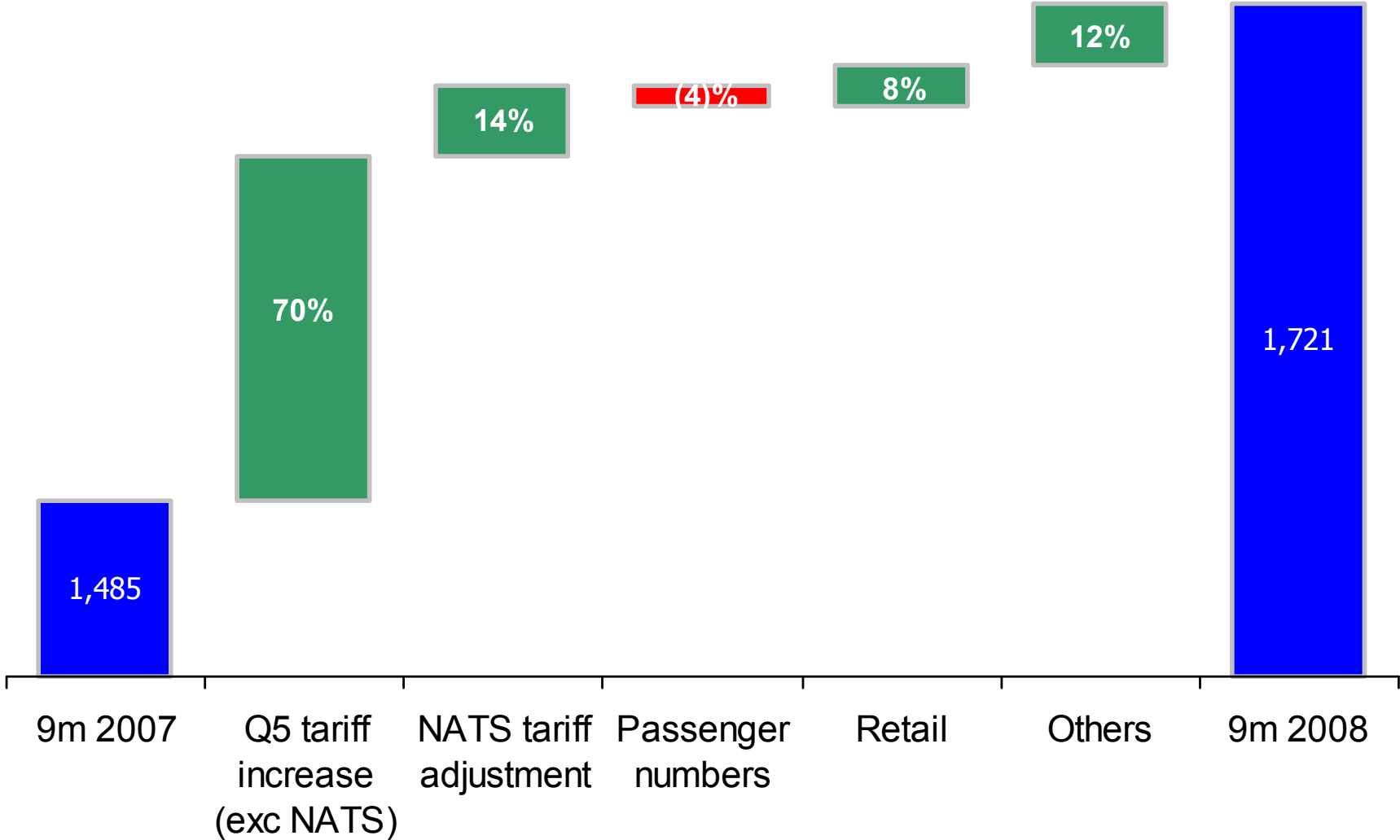


- ▶ Heathrow
 - ▶ Terminal 5 opened in March 2008 with all British Airways moves successfully completed by October 2008
 - ▶ Continued investment on T5 satellite terminal due to open in 2012
 - ▶ T1, T3 and T4 extension and refurbishment to raise standards similar to T5
 - ▶ Baggage tunnel to connect T5 to the Central Terminal Area has been commenced
 - ▶ Phase 1 of the first satellite in the Eastern Campus commenced
 - ▶ Ongoing south – east taxiways reconfiguration
- ▶ Gatwick
 - ▶ Upgrade of train system between South and North terminals
 - ▶ Redesign of South Terminal departure lounge to improve security flow and passenger experience
- ▶ Stansted
 - ▶ Extension of arrivals area to provide better capacity and retail layout

Financial Performance



9m 2008 v 9m 2007 revenue bridge



Revenue



Revenue by airport and activity (£m)

	9 months to September 2008	9 months to September 2007	Share of total revenue (2008)	Variation £m	Variation %
Heathrow	1,158	985	67.3%	173	17.6%
Gatwick	363	316	21.1%	48	15.0%
Stansted	200	184	11.6%	16	8.8%
Total	1,721	1,485	100.0%	237	16.0%
Aeronautical	895	707	52.0%	188	26.5%
Retail (excluding car parks)	323	313	18.8%	10	3.2%
Car parks ⁽¹⁾	127	118	7.4%	9	7.4%
Operational facilities and utilities	125	123	7.2%	2	1.2%
Property	93	87	5.4%	6	6.7%
Rail	63	59	3.6%	4	7.4%
Other	96	78	5.6%	19	24.3%
Total	1,721	1,485	100.0%	237	16.0%

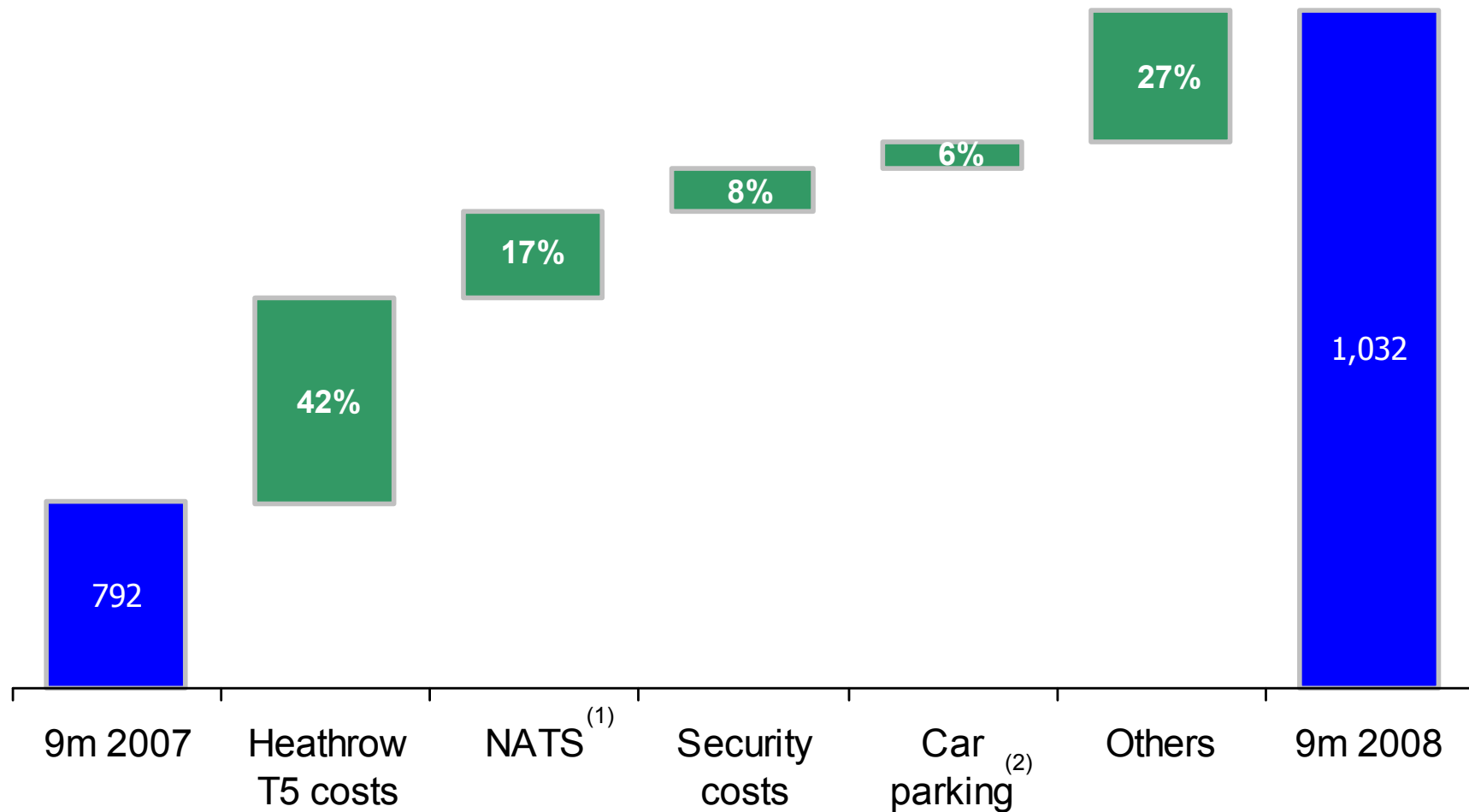
(1) Contracts for certain car parks changed and these are now shown including gross revenues and costs.

Recent Developments in Aeronautical Income



- ▶ Significant increase in aeronautical tariffs
 - ▶ adjustment to base tariffs to reflect number of one-off or structural changes in operating costs from previous quinquennium
 - ▶ change from NATS charging airlines directly for aerodrome air navigation services to charges being recovered via BAA's aeronautical tariffs to airlines
 - ▶ similar change applied to certain baggage handling and fuel levy
 - ▶ increase of RPI+X% on adjusted base tariffs to reflect new capex program and new cost base for the airports
 - ▶ maximum Heathrow tariffs increase by 23.5% from 1 April 2008
 - ▶ maximum Gatwick tariffs increased by 21.0% from 1 April 2008
 - ▶ Stansted – end of historic tariff discounts
- ▶ Heathrow and Gatwick tariffs implemented in two phases – April 2008 and June/July 2008 – with new tariff fully recovered by 31 March 2009

9m 2008 v 9m 2007 operating expenses bridge



- 1) Contractual structure changed from NATS charging airlines directly to NATS charging BAA with BAA recovering through aeronautical charges
- 2) Contracts for certain car parks changed and these are now shown including gross revenues and costs.

Operating Expenses



Operating expenses by airport and activity (£m)

	9 months to September 2008	9 months to September 2007	Share of total operating (2008)	£m	Variation %
Heathrow ⁽¹⁾	696	504	67.4%	192	38.1%
Gatwick	227	191	22.0%	36	18.9%
Stansted	109	95	10.6%	14	14.8%
Total	1,032	790	100.0%	242	30.6%
Employment costs	316	267	30.6%	49	18.3%
Maintenance expenditure	110	83	10.7%	27	32.3%
Utility costs	60	53	5.8%	7	12.4%
Rent and rates	95	73	9.2%	22	29.3%
General expenses	223	113	21.6%	110	97.5%
Retail expenditure	30	16	2.9%	14	83.4%
Intra-group charges/other	199	184	19.2%	14	7.8%
Total	1,032	790	100.0%	242	30.6%

1) Consolidated figures including Heathrow Express

2) Above analysis excludes depreciation and exceptional costs

Adjusted EBITDA



Adjusted EBITDA by airport (£m)

	9 months to September 2008	9 months to September 2007	Share of total EBITDA (2008)	£m	Variation %
Heathrow	463	480	67.1%	(18)	-3.7%
Gatwick	136	125	19.8%	11	9.1%
Stansted	91	88	13.1%	2	2.4%
Total	689	693	100.0%	(4)	-0.6%

Adjusted EBITDA is earnings before interest, tax depreciation and amortisation and before exceptional costs

- ▶ Heathrow variance driven by:
 - ▶ 0.7% passenger decline
 - ▶ additional costs from preparation for enhanced service targets
 - ▶ full year effect of operating Terminal 5
- ▶ Gatwick growth driven by 0.1% passenger decline offset by strong retail performance and implementation of new tariff
- ▶ Stansted growth driven by full year benefit of ending discounted tariffs offsetting declining passenger volumes
- ▶ EBITDA margin in the first year of Q5 affected by increasing cost base. It will increase over the rest of Q5 in line with the regulatory regime and related price increase step ups of RPI+X%

Fixed asset additions



Fixed asset additions by airport (£m)

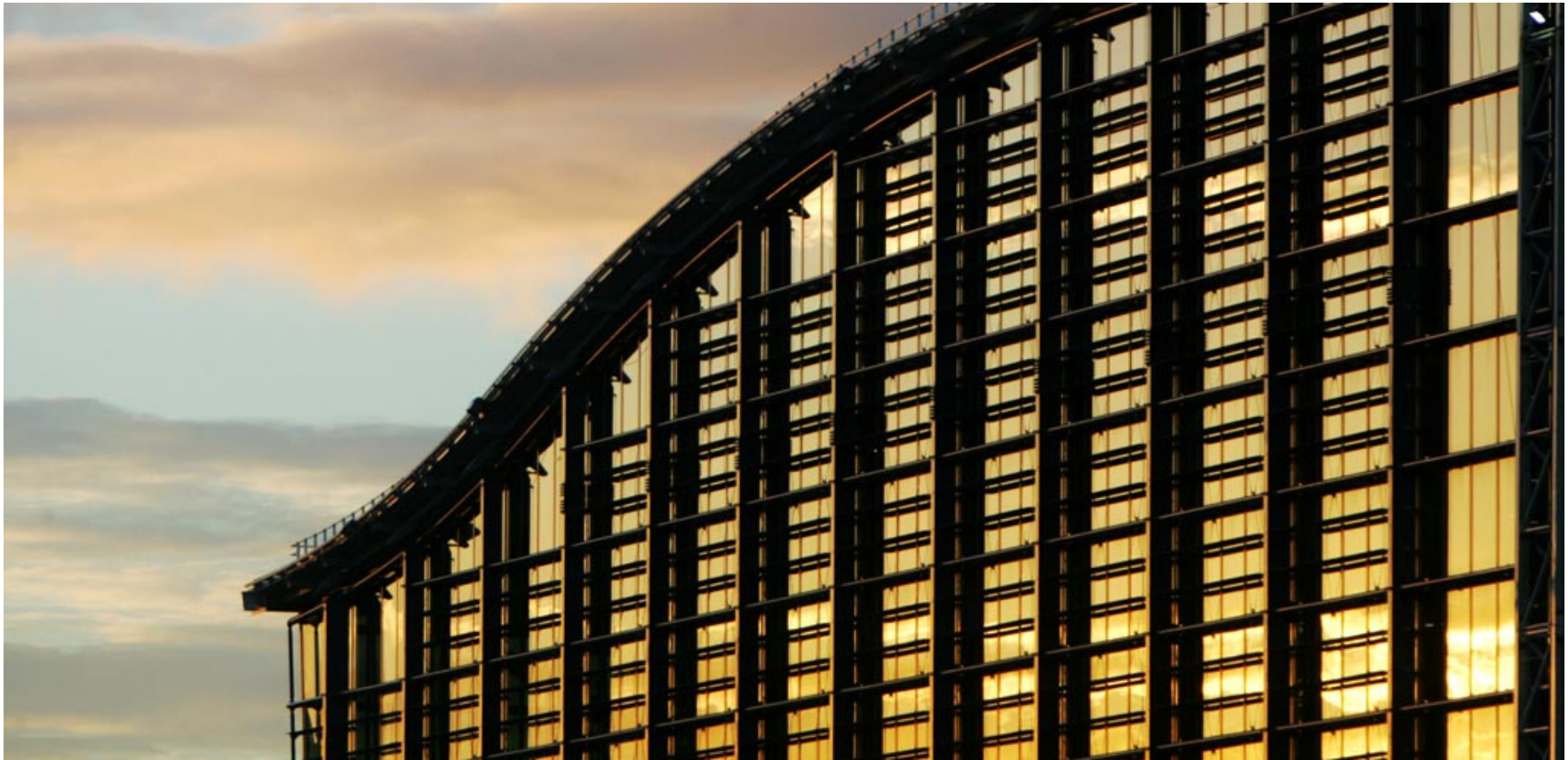
	9 months to September 2008
Heathrow	645.4
Western Campus (T3, T4, T5)	193.1
Eastern Campus (T1, T2)	182.4
Terminal 5 ancillary works and extension	56.6
Purchase of old Control Tower in the Central Terminal Area	46.0
Heathrow Express	10.4
Infrastructure	41.6
Baggage	49.2
Other	66.1
Gatwick	87.1
Upgrade of inter-terminal train	10.0
Other North Terminal Projects	24.6
South Terminal Departure Lounge Reconfiguration	14.0
Other South Terminal	38.3
Other	0.2
Stansted	83.1
Stansted arrivals extension	16.2
Other Stansted G1	33.7
Stansted G2	33.2
Total	815.6

Net Debt at 30 September 2008



	Local currency m	£m	Rating (S&P / Fitch)	Maturity	Outstanding principal at 30 September 2008 (£m)	Cost of debt at 30 September 2008
Senior (Class A)						
Bonds	€1,000	680	A-/A-	2012/14	680	
	£396	396	A-/A-	2013/15	396	
	€750	513	A-/A-	2014/16	513	
	£300	300	A-/A-	2016/18	300	
	€750	510	A-/A-	2018/20	510	
	£250	250	A-/A-	2021/23	250	
	£750	750	A-/A-	2023/25	750	
	£200	200	A-/A-	2028/30	200	
	£900	900	A-/A-	2031/33	900	
Total bonds		4,499			4,499	6.37%
Bank debt	Refinancing Facility	£3,400	3,400	A-/A-	2010/13	3,400
	EIB Facility	£428	428	A-/A-	2010/22	428
	Capex Facility	£2,300	2,300	n/a	2013	50
	Working Capital Facility	£50	50	n/a	2013	0
Total bank debt		6,178			3,878	6.95%
Total senior debt (1)	n/a	10,677	n/a	n/a	8,377	6.64%
Junior (Class B)	Refinancing Facility	£1,000	1,000	BBB/BBB	2010/13	1,000
	Capex Facility	£400	400	n/a	2013	0
Total junior debt (2)		1,400	n/a	n/a	1,000	7.75%
TOTAL AVAILABLE FACILITIES (1 +2)		£12,077			£9,377	
GROSS DEBT AT 30 SEPTEMBER 2008		£9,377				
CASH AT 30 SEPTEMBER 2008		£27				
NET DEBT AT 30 SEPTEMBER 2008		£9,351				
DES. GROUP AVERAGE COST OF DEBT						6.75%

Key Operational and Regulatory Developments



Heathrow Transformation



- ▶ Terminal 5 opening is first key milestone in Heathrow's transformation
- ▶ £4.3 billion⁽¹⁾ investment
- ▶ Transformation intended to
 - ▶ strengthen Heathrow's position as leading global hub airport
 - ▶ be completed by 2013
- ▶ On completion
 - ▶ new Heathrow East terminal
 - ▶ oldest current terminal (Terminal 2) de-commissioned
 - ▶ joint location of major global airline alliance members
 - ▶ Oneworld (Terminal 5/Terminal 3)
 - ▶ Star Alliance (Heathrow East)
 - ▶ SkyTeam (Terminal 4)
 - ▶ provide unique platform for improved airline profitability

1) In 2007/08 prices

Heathrow 2008/2009



- ▶ Terminal 5 (T5)
 - ▶ Additional terminal passenger capacity: 30 mppa
 - ▶ Main user: British Airways

- ▶ Heathrow East Terminal (HET)

T5-Phase I
Opened in March '08

T5-Phase II
Under construction

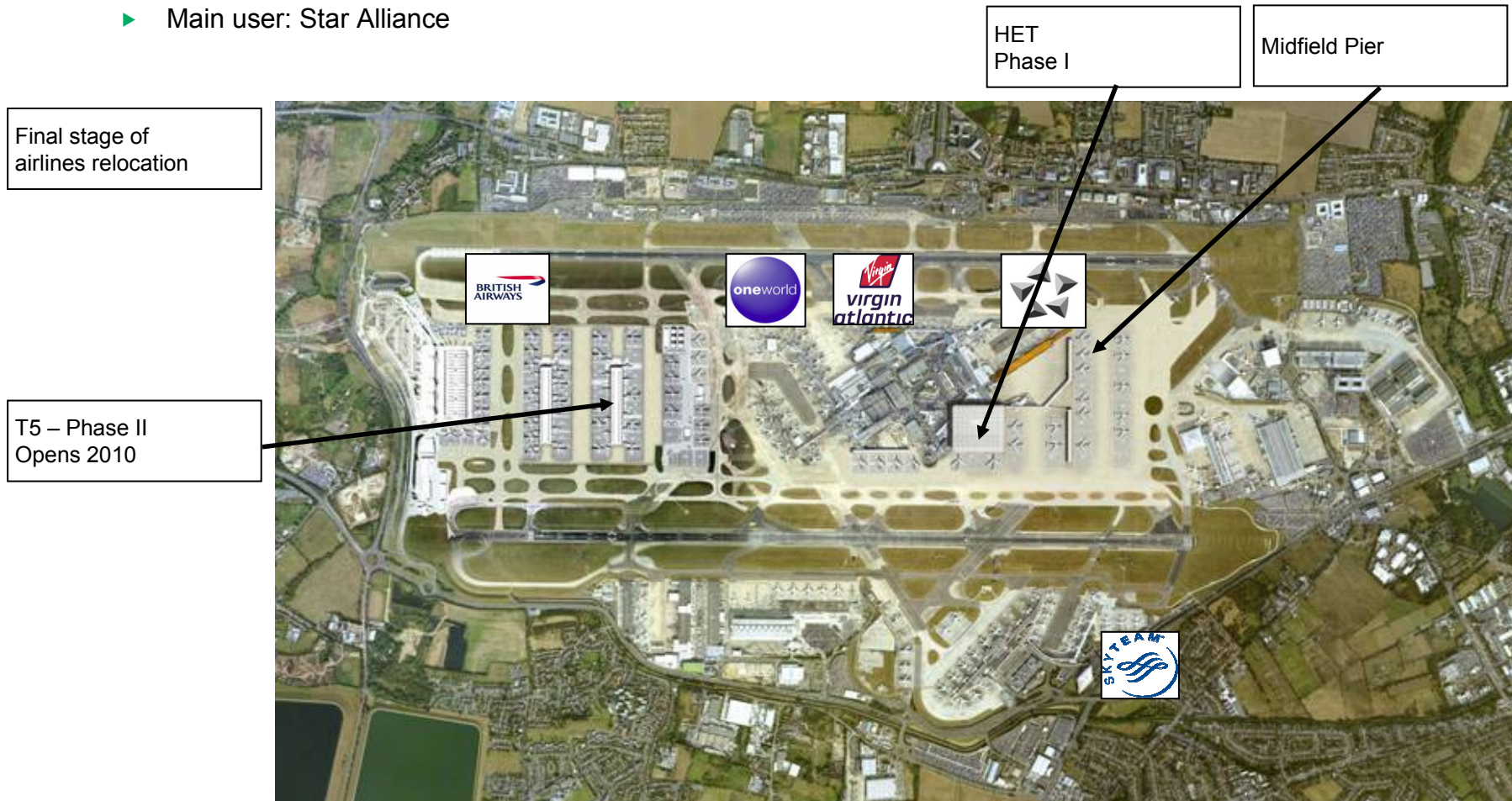
T2 and Queens
Building demolition
starts 2009

Midfield Pier
construction



Heathrow 2013

- ▶ Heathrow East Terminal (HET)
 - ▶ Passenger capacity: 30 mppa
 - ▶ Replaces T2, Queens Building and part of T1
 - ▶ Main user: Star Alliance



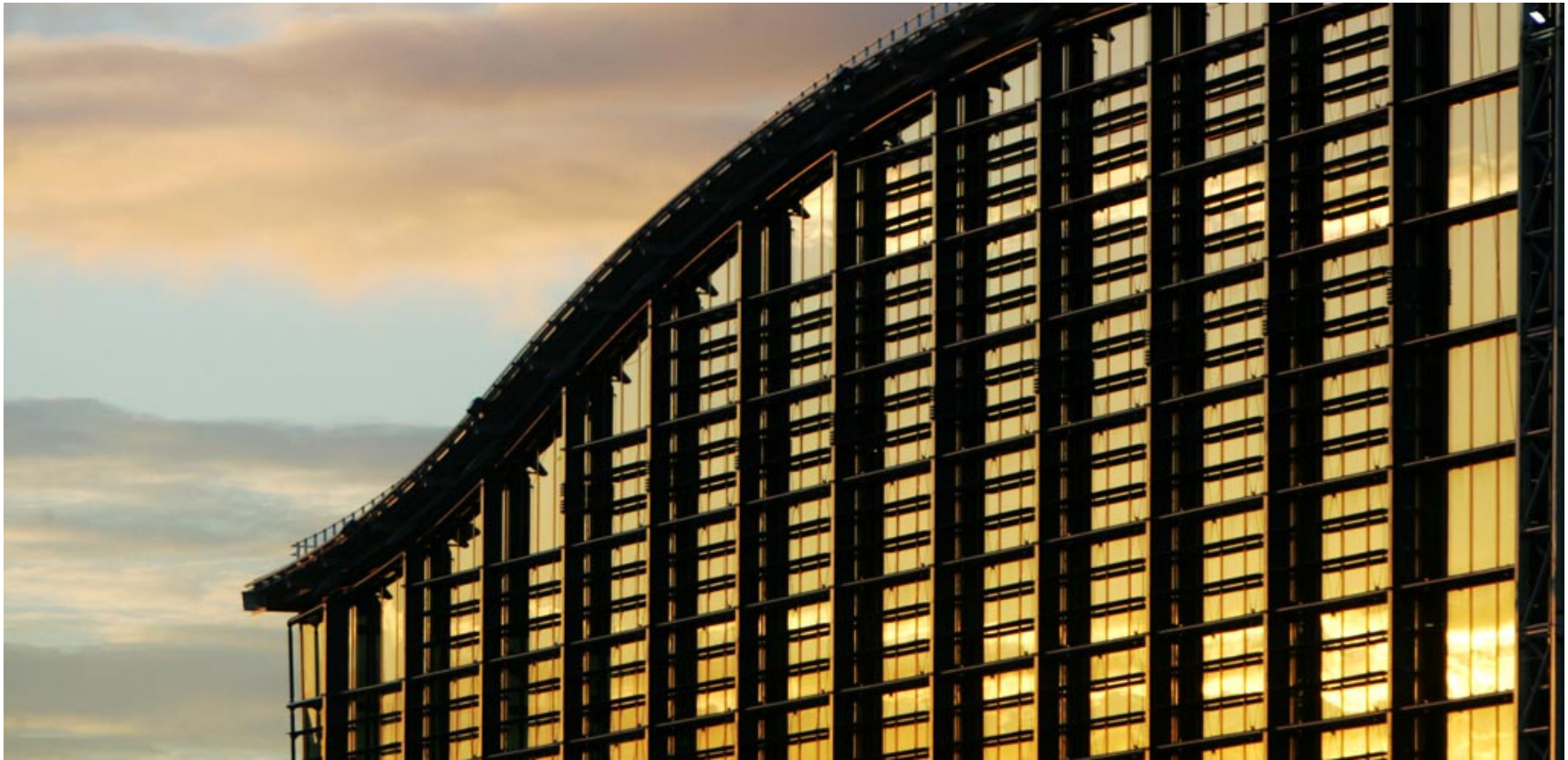
Update on Regulatory Review

- ▶ September 2008 - DfT made submission to Competition Commission ('CC')
 - ▶ DfT confirmed that 2003 Air Transport White Paper would not be reviewed
- ▶ November 2008 - DfT outlined scope of review of economic regulation which has the following policy objectives:
 - ▶ Improving passenger experience
 - ▶ Encouraging appropriate and timely investment in additional capacity to help deliver economic growth in line with wider Government policy
 - ▶ Addressing the wider environmental impacts of aviation and airport development
- ▶ January 2009 – DfT makes further formal up-date to the CC on the new regulatory framework
- ▶ May 2009 – DfT to issue consultation on new regulatory framework proposals
- ▶ Mid 2010 – proposed legislation
- ▶ Q5 not intended to be re-opened as a result of economic regulation review
- ▶ BAA supports objectives of the review

- ▶ 20 August 2008: Competition Commission (“CC”) issued its Provisional Findings and Notice of Possible Remedies (“Provisional Remedies”)
- ▶ 17 September 2008: BAA responded arguing that case for divestment has not been made
- ▶ Remedies response is confidential - but seeks to ensure that sale conditions are not unduly onerous
- ▶ Early December 2008: CC publishes its final proposals on Provisional Remedies
- ▶ January 2009: final deadline for submissions and responses
- ▶ February 2009: final report by the CC
 - ▶ BAA then has two months in which to lodge a legal appeal
- ▶ Scope for disposal of up to two London airports (and a further one in Scotland)

- ▶ Regulatory price cap review – status
 - ▶ CC made recommendation to CAA on 23 October 2008
 - ▶ Final price determination expected to be announced early in 2009 by the CAA
 - ▶ Key CC recommendations to the CAA for consideration in CAA's final price determination
 - ▶ RPI + 1.75% tariff formula
 - ▶ 7.1% real pre-tax cost of capital
 - ▶ confirmed BAA's conduct with regard to charges to Ryanair had not operated against the public interest
 - ▶ reduced capital investment scope during next quinquennium
- ▶ Permission for new runway
 - ▶ Planning applications submitted earlier in 2008
 - ▶ Planning inquiry starts in April 2009 with Government decision expected late 2010
 - ▶ Planning case very strong
 - ▶ Investment decision not needed until after Government decision
- ▶ Long term objective of two runway, two terminal airport
 - ▶ Growth to 68 million passengers by 2030 (currently c.23 million)

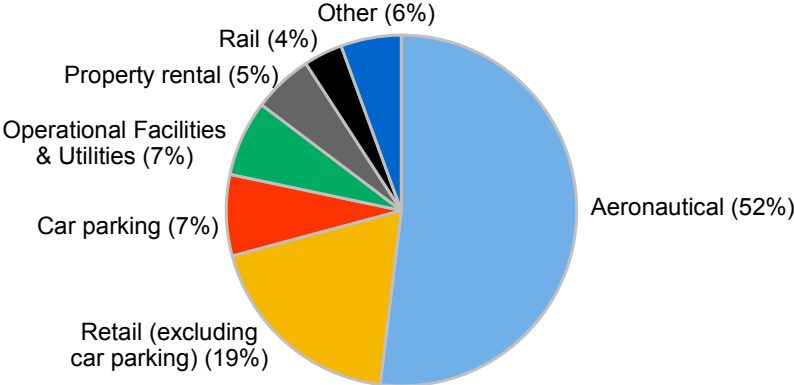
Financing Update



Diversified Business

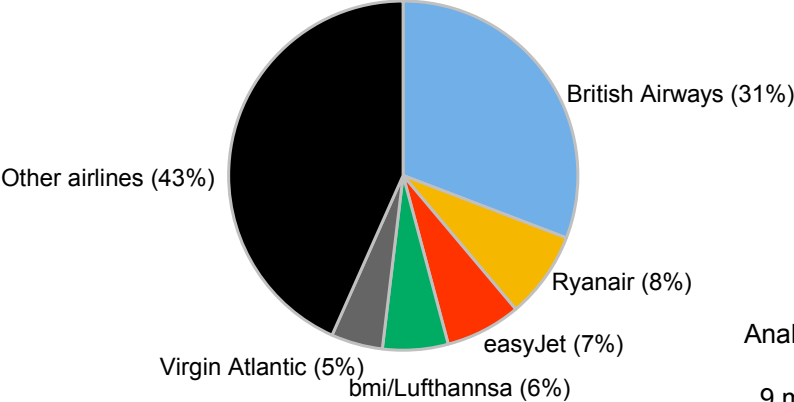


Revenue by source

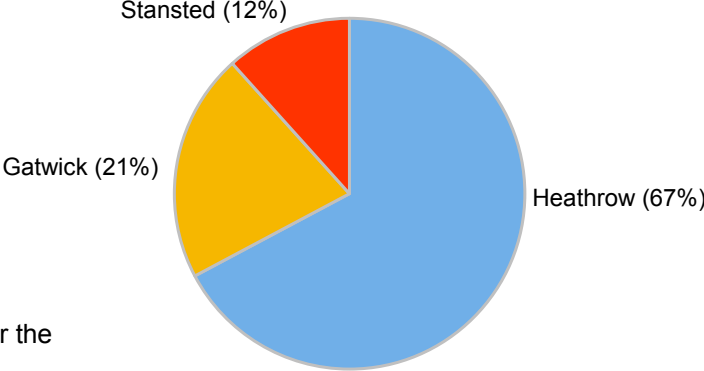


Revenue by customer⁽¹⁾

1) Breakdown of aeronautical revenue



Revenue by airport



Analyses based on revenue for the Regulated Airports for the 9 months to 30 September 2008

Performance against forecast (Q2 & Q3 2008)

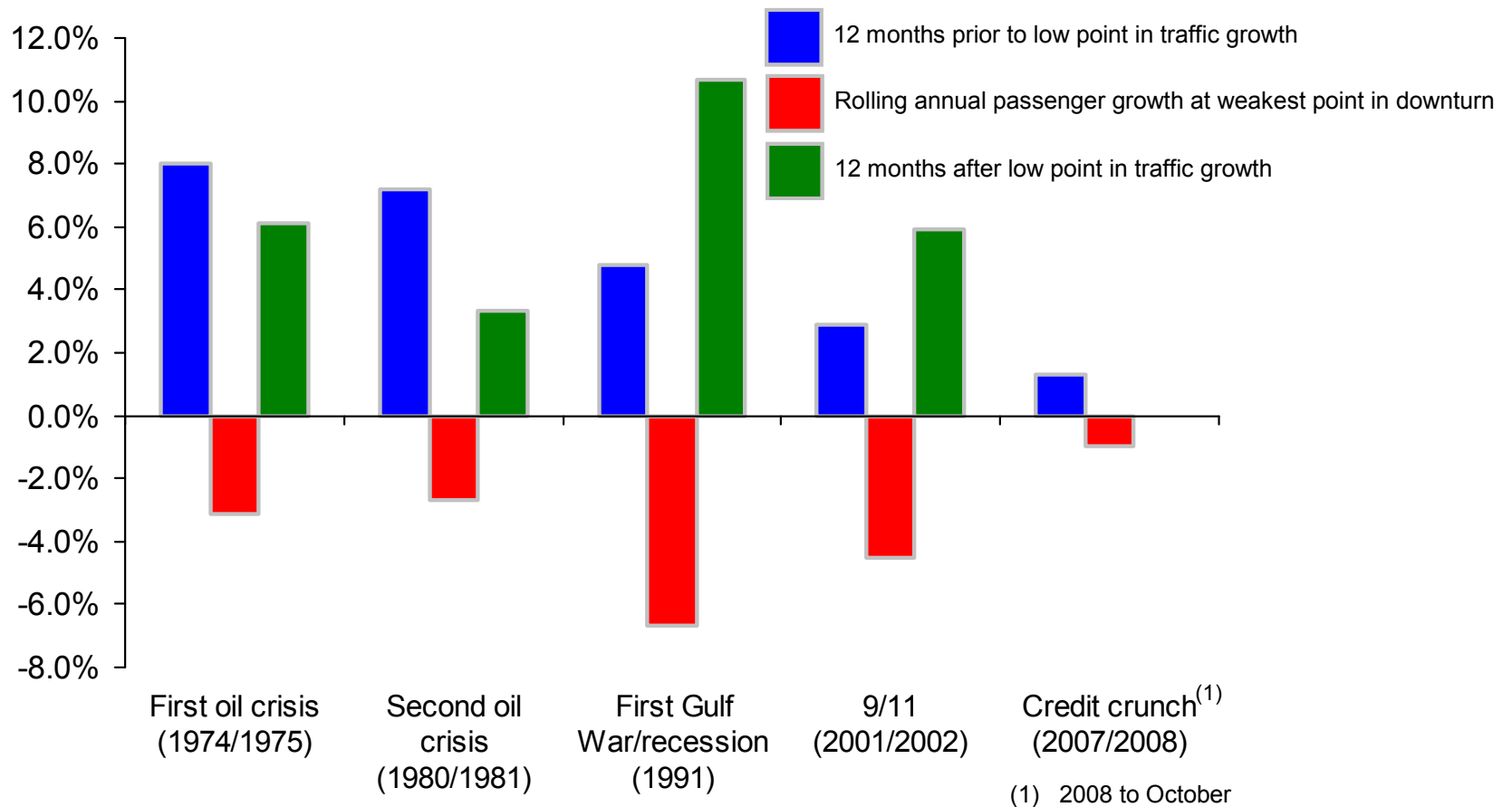


Passenger traffic for Q2 and Q3 2008 (m)

	Actual	Forecast	Variance
Heathrow	35.6	37.1	-4.0%
Gatwick	20.0	20.3	-1.5%
Stansted	12.8	12.7	0.8%
Total	68.4	70.1	-2.4%
Adjusted EBITDA for Q2 and Q3 2008 (£m)			
Heathrow	356	349	1.8%
Gatwick	131	121	7.9%
Stansted	73	72	0.9%
Total	559	543	3.0%

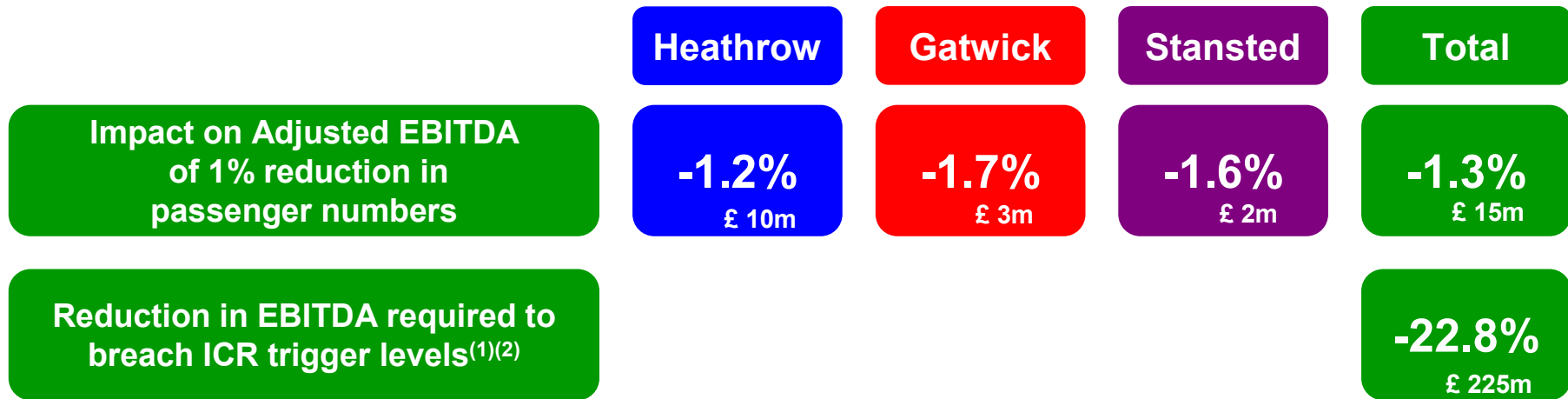
- EBITDA performance for Q2 and Q3 2008 exceeding forecast
- Heathrow & Gatwick exceeding forecast despite passenger decline driven by strong in-terminal retail performance and active control of operating costs
- Stansted passengers above forecast driving positive EBITDA variance in addition to active management of staffing levels and expenditure

Resilience to Downturns



- ▶ Annual rolling passenger numbers not fallen for >12 months in last 40 years
- ▶ Traffic always recovered above previous records within 1 year of trough
- ▶ October 2008 was second month of lower annual rolling passenger numbers in current downturn

Sensitivity of trigger events to downturns of traffic 2008/09



- 1) Interest cover ratio ('ICR'): Cash flow from operations less corporation tax and 2% of total regulatory asset base ('RAB') divided by net interest and fees paid
- 2) Trigger event ICR ratio levels: Senior ICR < 1.4x; Junior ICR <1.2x
- 3) Analysis is based on year to 31 March 2009
- 4) Analysis does not take into account any actions that might be taken to mitigate the impact of, for example, reducing passenger numbers on Adjusted EBITDA

Disposal of Gatwick Airport



- ▶ Proposed sale of Gatwick airport announced in September 2008
- ▶ Completion expected in the first half 2009
- ▶ Information memorandum likely to be released by early December 2008
- ▶ Gatwick's key financial metrics
 - ▶ revenue and EBITDA for 2008/09 of £487 million and £184 million respectively
- ▶ Regulatory Asset Base (RAB) of Gatwick
 - ▶ £1,560 million at 31 March 2008
 - ▶ Forecasted to be approximately £1.7 billion by 31 March 2009⁽¹⁾
- ▶ Gatwick accounted for as discontinued operation from September 2008 statutory results until disposal occurs

1) Source: page 181 of BAA Funding Limited prospectus dated 14 July 2008

Impact of Gatwick Disposal on Financing

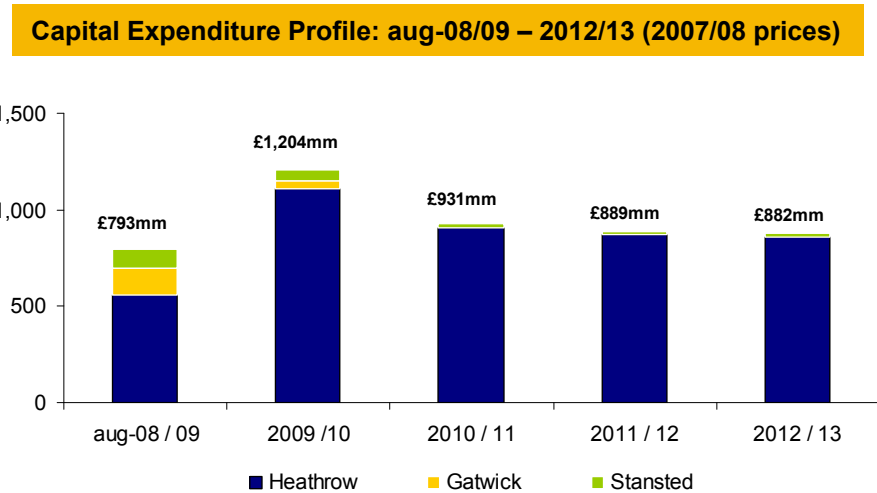


- ▶ Net disposal proceeds will be fully applied in reducing Refinancing Facility⁽¹⁾
- ▶ Actual treatment of net disposal proceeds subject to detailed provisions contained in Refinancing Facility/Common Terms Agreement such as
 - ▶ date of receipt relative to next repayment
 - ▶ whether a trigger event is outstanding
 - ▶ financial ratio levels applying at the time
 - ▶ undrawn amount under Capex Facility
- ▶ Assuming sale is completed by end of June 2009 for £1.8 billion net proceeds, the impact on the Refinancing Facility would be:
 - ▶ full early repayment of first Tranche A and B loans (£1.0 billion) due in March 2010 under Refinancing Facility
 - ▶ remaining proceeds used in to partially meet the £1.0 billion and £1.4 billion due in March 2011 and March 2013 respectively

1) After payment of transaction costs, directly related restructuring costs and a commutation payment into defined pension scheme

Capital Expenditure Requirements⁽¹⁾

- ▶ £4.7 billion capital investment program for London airports over period to 31 March 2013
- ▶ Predominantly at Heathrow
- ▶ Capital investment program reduced by £1.6 billion from previous estimates
 - ▶ Heathrow: revised investment phasing
 - ▶ Gatwick investment discontinued after June 2009
 - ▶ SG2 investment decision postponed until after Government's decision
 - ▶ Average annual capital investment of £940 million to 2013

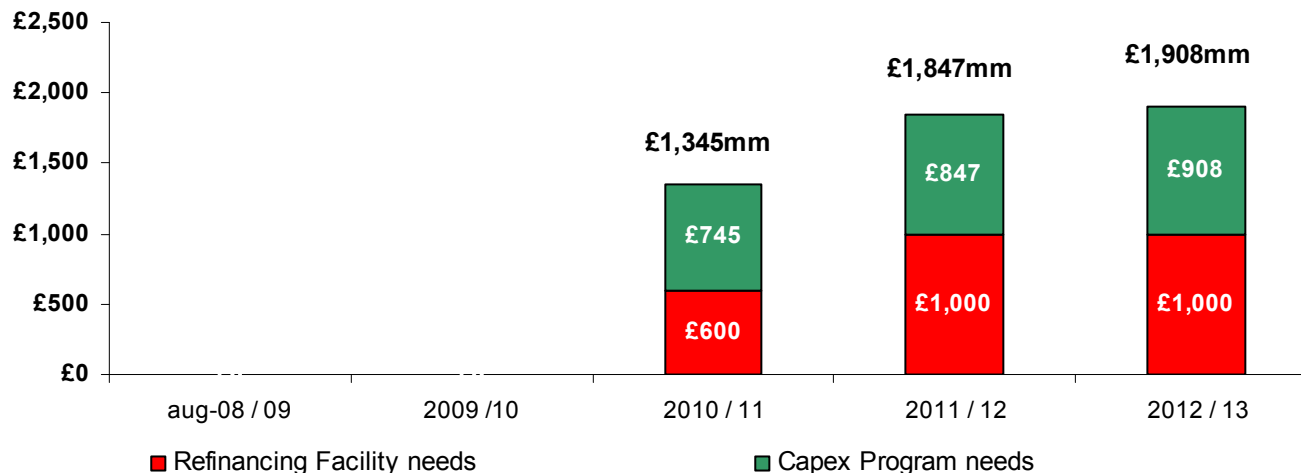


1) All figures in 2007/08 prices

Expected financing requirements



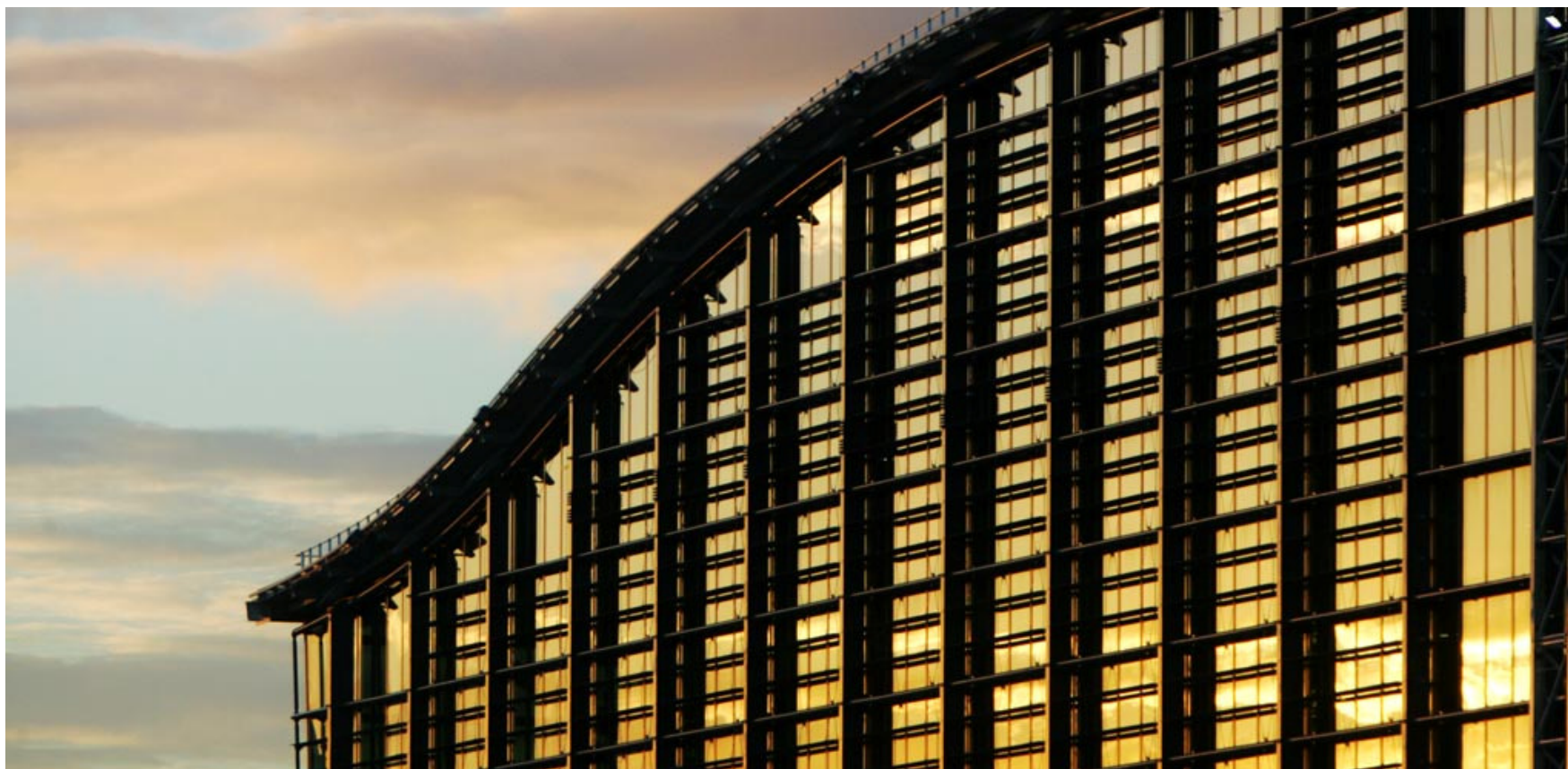
- ▶ In the following years, the Security Group will need funding in order to re-finance:
 - ▶ a) £2.6bn Refinancing Facility (after LGW net disposal proceeds)
 - ▶ b) Capex program
- ▶ Future issuance needs have been calculated based on the following assumptions about the capex program finance:
 - ▶ Capex program in nominal terms
 - ▶ 85% of Capex funded with the capex revolving facility
 - ▶ Amounts drawn under the capex revolving facility re-financed every year to ensure sufficient headroom to fund 85% capex of the following year
 - ▶ Capex for the year 2013/14 assumed to be equal to the average capex of Q5 (£1.1bn)



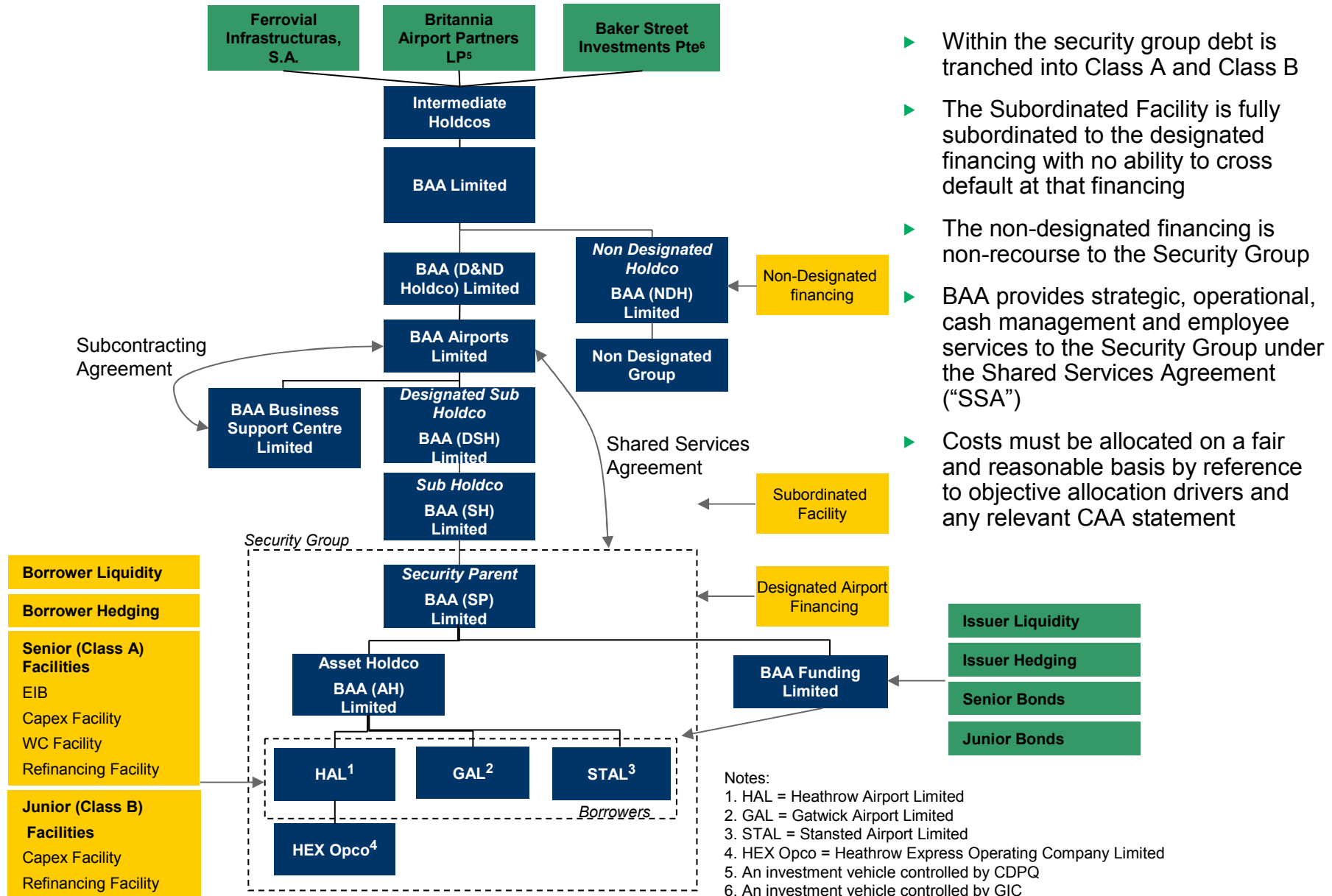
Future Financing Strategy

- ▶ Main priority, bond market to refinance Refinancing Facility and Capex Facility
- ▶ Longer dated issues likely to dominate issuance programme although tenor will be adjusted in accordance with market conditions
- ▶ Targeting wide range of markets and currencies
 - ▶ Sterling, € and US\$
 - ▶ US market
 - ▶ index-linked
- ▶ Available liquidity level covers prospective capital needs...
 - ▶ £2.7 billion undrawn facilities
 - ▶ reduced Stansted capital investment programme
 - ▶ expected Gatwick disposal proceeds
- ▶ ...but keen to re-establish presence in market in next 12 months

Appendices



Appendix 1 – Summary Group Structure



- ▶ Within the security group debt is tranchised into Class A and Class B
- ▶ The Subordinated Facility is fully subordinated to the designated financing with no ability to cross default at that financing
- ▶ The non-designated financing is non-recourse to the Security Group
- ▶ BAA provides strategic, operational, cash management and employee services to the Security Group under the Shared Services Agreement (“SSA”)
- ▶ Costs must be allocated on a fair and reasonable basis by reference to objective allocation drivers and any relevant CAA statement

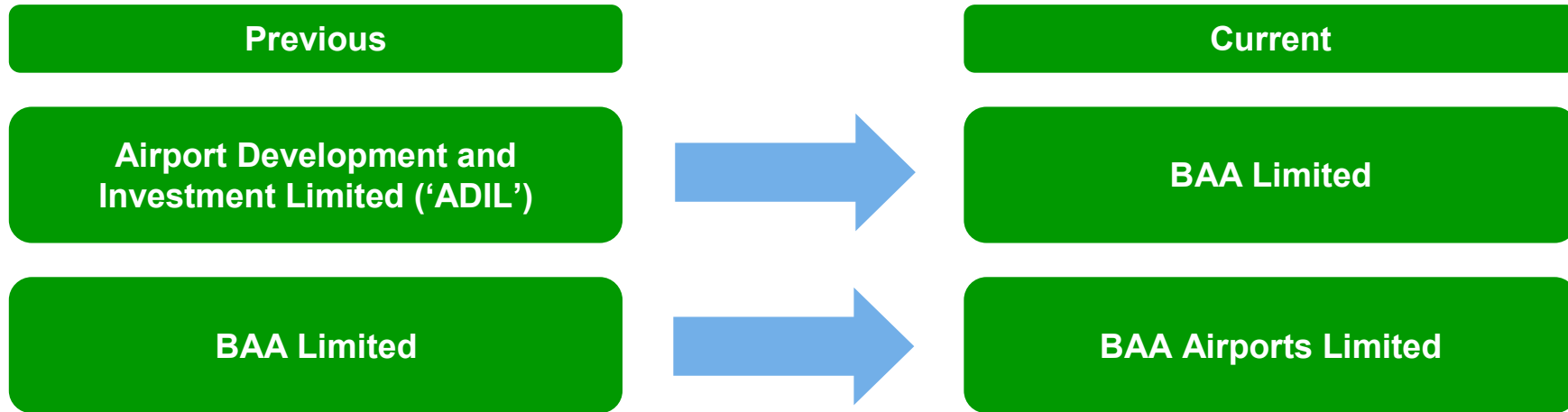
Notes:
 1. HAL = Heathrow Airport Limited
 2. GAL = Gatwick Airport Limited
 3. STAL = Stansted Airport Limited
 4. HEX Opco = Heathrow Express Operating Company Limited
 5. An investment vehicle controlled by CDPQ
 6. An investment vehicle controlled by GIC

Appendix 2 – Investor Relations Update



- ▶ Regular quarterly updates to the market in addition to reporting requirements of Common Terms Agreement
- ▶ Recent appointment of dedicated debt investor relations manager
- ▶ Planned launch of dedicated debt investor relations website by February 2009
- ▶ After Merrill Lynch amendment to the index rules, BAA bonds now qualify for inclusion in the Merrill Lynch Global Broad Market Collateralised Index and all associated sub indices. As a result the BAA bonds will be included in the £ Corporates & Collateralised index (UC00) and the € Collateralised index (EL00)

Appendix 3 – Recent Group Company Name Changes



Appendix 4 – Breakdown of Regulated Airports’ Operating Expenses



Operating expenses by airport and activity for 9 months to September 2008 (£m)

	Heathrow Airport Limited ⁽¹⁾	Gatwick Airport Limited	Stansted Airport Limited	Total
Employment costs	200.1	76.4	39.7	316.2
Maintenance expenditure	83.6	19.3	7.2	110.1
Utility costs	38.4	13.8	7.6	59.8
Rent and rates	68.2	17.9	8.7	94.8
General expenses	144.6	54.9	23.5	223.0
Retail expenditure	15.7	12.3	1.9	29.9
Intra-group charges/other	145.1	32.7	20.7	198.5
Total	695.7	227.3	109.3	1,032.3

1) Consolidated figures including Heathrow Express

2) Above analysis excludes depreciation and exceptional costs

Appendix 5 – BAA Ltd Group – Passengers



(m)	9 months ended September 2008	9 months ended September 2007	Var %
Heathrow	51.1	51.4	(0.7)%
Gatwick	27.3	27.4	(0.1)%
Stansted	17.6	18.5	(4.7)%
Regulated Airports	96.0	97.3	(1.3)%
Edinburgh	7.0	6.9	0.7%
Glasgow	6.4	6.7	(5.4)%
Aberdeen	2.5	2.6	(2.5)%
Southampton	1.5	1.5	1.3%
Non-Regulated Airports	17.4	17.7	(2.0)%
Naples	4.5	4.5	1.4%
Budapest	0.0	3.0	(100.0)%
Total BAA Limited	117.9	122.5	(3.8)%

Appendix 5 – BAA Ltd Group – Adjusted EBITDA by airport



(£m)	9 months ended September 2008	9 months ended September 2007	Var %
Heathrow (incl. Heathrow Express)	463	480	(3.9)%
Gatwick	136	125	9.1%
Stansted	91	88	2.4%
Regulated Airports	689	693	(0.7)%
Edinburgh	37	35	3.6%
Glasgow	33	32	0.9%
Aberdeen	15	14	2.9%
Southampton	6	7	(13.7)%
Non-Regulated Airports	90	89	1.1%
Other	60	111	(45.4)%
Total BAA Limited	840	893	(6.0)%

Appendix 5 – BAA Ltd Group – Income statement



	9 months ended 30 September 2008			9 months ended 30 September 2007		
	Before certain re-measurements ¹	Certain re-measurements ¹	Total	Before certain re-measurements ¹	Certain re-measurements ¹	Total
(unaudited)	£m	£m	£m	£m	£m	£m
Continuing operations						
Revenue	1,925	-	1,925	1,678	-	1,678
Operating costs	-1,586	-	-1,586	-1,217	-	-1,217
Other operating income						
Fair value (losses)/ gains on investment properties	-	-253	-253	-	45	45
Fair value gains/ (losses) on derivative financial instruments	-	13	13	-	-17	-17
Operating profit/ (loss)	339	-240	99	461	28	489
<i>Analysed as:</i>						
Operating profit/ (loss) before exceptional items	424	-240	184	530	28	558
Exceptional Items	-85	-	-85	-69	-	-69
	339	-240	99	461	28	489
Share of (loss)/ profit of associates (net of interest and tax)	-1	-	-1	1	-	1
Financing						
Finance income	16	-	16	21	-	21
Finance costs	-763	-	-763	-763	-	-763
Fair value (losses)/ gains on derivative financial instruments	-	-351	-351	-	38	38
(Loss)/ profit before tax	-409	-591	-1,000	-280	66	-214
Taxation credit/(charge)	98	191	289	158	24	182
Profit/ (loss) for the period from continuing operations	-311	-400	-711	-122	90	-32
Net profit/ (loss) from discontinued operations	242	-70	172	141	20	161
Consolidated profit/ (loss) for the period	-69	-470	-539	19	110	129
Attributable to:						
Equity holders of the parent	-70	-470	-540	20	110	130
Minority interest	1	-	1	-1	-	-1

(1) Certain re-measurements (including those of associates and joint ventures) consist of fair value gains and losses on investment property revaluations and disposals and the gains and losses arising on the re-measurement and disposal of derivative financial instruments, together with the associated fair value gains and losses on any underlying hedged items that are part of a fair value hedging relationship, together with the related tax impact of these items.

Appendix 5 – BAA Ltd Group – Cash flow statement



(unaudited)	9 months ended 30-Sep-08 £m
Operating activities	
Cash generated from continuing operations	735
Income taxes paid	-2
Cash generated from discontinued operations	-1
Net cash from operating activities	732
Investing activities	
Purchase of:	
Property, plant and equipment	-874
Intangible assets	-13
Proceeds from available-for-sale investments	24
Investing activities of discontinued operations	672
Net cash used in investing activities	-191
Financing activities	
Interest paid ⁽¹⁾	-1,421
Interest received	15
Proceeds from borrowings	6,916
Repayment of borrowings	-6,268
Proceeds from issue of share capital	400
Financing activities of discontinued operations	-30
Net provided/(used in) by financing activities	-388
Net increase/(decrease) in cash and cash equivalents	153
Cash and cash equivalents at beginning of period	150
Cash and cash equivalents at end of period	303

(1) Includes sw ap interest prepayments for £332m and fees for £353m

Appendix 5 – BAA Ltd Group – Balance Sheet



Summarised balance sheet	30-Sep-08 £m (unaudited)	31-Dec-07 £m (audited)
Assets		
Non-current assets		
Property, plant and equipment	10,817	11,632
Investment properties	2,532	3,139
Intangible assets	4,165	4,696
Derivative financial instruments	485	103
Retirement benefit surplus	355	122
Other non-current assets	90	129
	18,444	19,821
Current assets		
Assets classified as held-for-sale	2,736	843
Total assets	21,914	21,140
Liabilities		
Non-current liabilities		
Borrowings	-16,298	-16,869
Deferred income tax liabilities	-1,516	-1,973
Other non-current liabilities	-125	-213
	-17,939	-19,055
Current liabilities		
Borrowings	-840	-762
Derivative financial instruments	-422	-44
Trade and other current liabilities	-851	-799
	-2,113	(266)
Liabilities associated with assets classified as held-for-sale	-1,603	(266)
Total liabilities	-21,655	-20,926
Net assets	259	214

Appendix 5 – BAA Ltd Group - Re-financing sources and uses



(amounts in millions and nominals)	Borrowings			
	Pre-refinancing	Borrowed / (Repaid) on Refinancing	Subsequent drawdowns	Post refinancing
ADIL Senior loans	2,660	(2,660)	-	-
ADIL Senior Capex Facility	2,050	(2,050)	-	-
200m Term Facility	200	(200)	-	-
Subordinated bank loan	1,966	(400)	-	1,566
BAA Bonds	4,503	(4)	-	4,499
Class A Bank Refinancing Facility	-	3,400	-	3,400
Class B Bank Refinancing Facility	-	1,000	-	1,000
EIB Debt	-	435	-	435
Non designated bank loans	-	1,000	-	1,000
30 m Debenture	30	-	-	30
Total	11,409	521	-	11,930
Equity		424		
Pre-paid interests		(332)		
Accrued interests		(236)		
Costs and other		(377)		
Total		(521)		

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