BAA (SP) Limited

Results for nine months ended 30 September 2009

October 2009

BAA

- Improved operating performance
- Resilient financial performance
- Significant strategic progress

Highlights of first nine months of 2009(1)

Revenue(2)	**+7.6%**
Adjusted EBITDA(2)(3)	**+16.8%**
Heathrow passenger traffic	**-2.3%**
Total passenger traffic	**-5.5%**
NRI(4) per passenger	**+6.1%**
Capital expenditure	**£749.2m**
Net debt(5)	**£9,771.0m**
RAB(4)	**£13,155.7m**

1) Percentage changes are relative to first nine months of 2008

2) Assumes consolidation of Heathrow Express Operating Company Limited for whole of comparative period although it was not acquired by the Group until 7 August 2008

3) Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation and exceptional items

4) NRI: net retail income; RAB: Regulatory Asset Base

5) Nominal net debt excluding intra-BAA group loans and including index-linked derivative accretion

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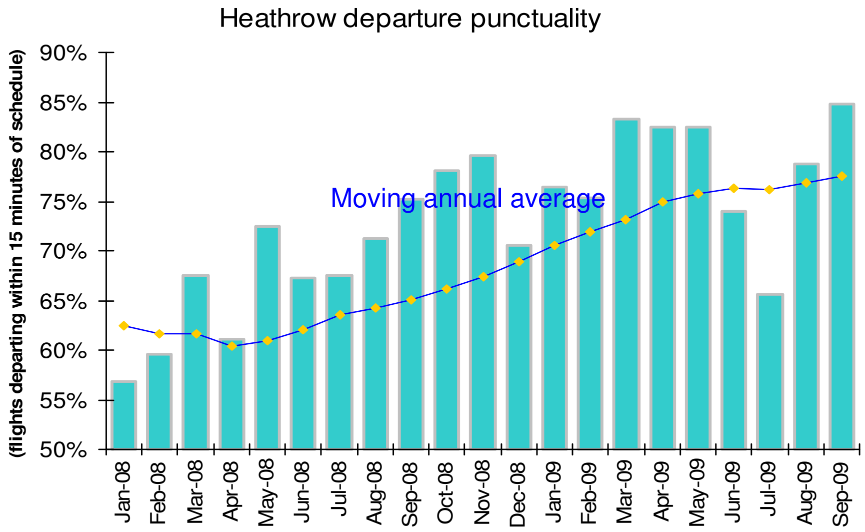
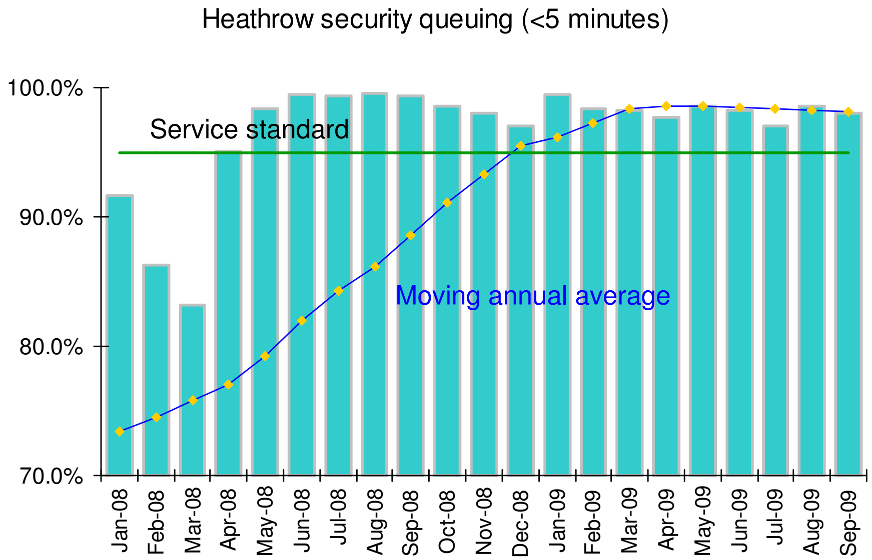
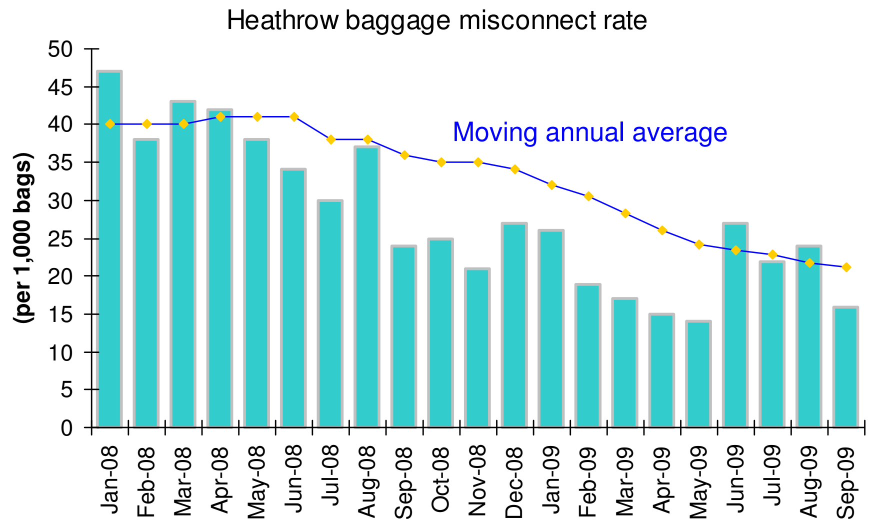
We have improved operational standards

- Higher standards drive stronger revenue and cost performance







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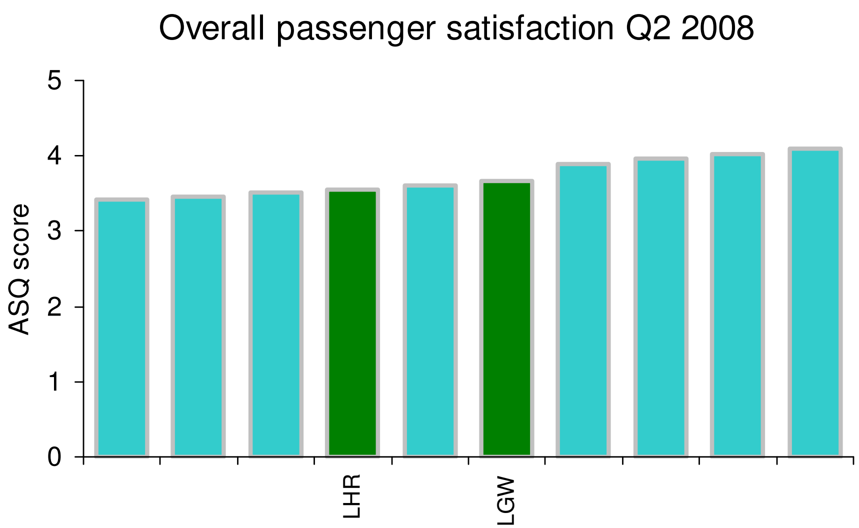
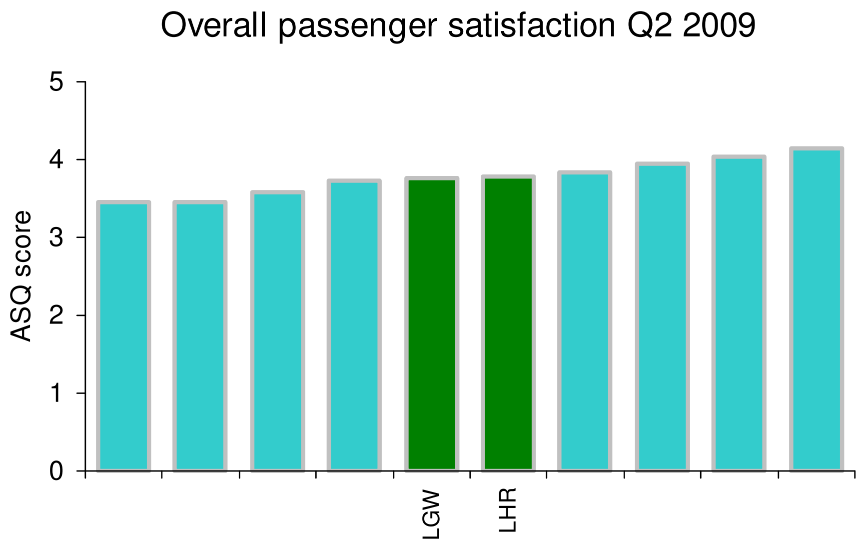
Passenger satisfaction has improved over the last year





European competitors

Source: Airport Service Quality ('ASQ') surveys by Airports Council International

Capital investment is also transforming the airports

- Heathrow (£596.1 million spent)
  - improving operations whilst progressing ‘brownfield’ investment
  - enabling works for new Terminal 2
  - airline moves to refurbished Terminal 4
  - integrated baggage system progresses
  - Terminal 5C on track to open early 2011
- Gatwick (£102.9 million spent)
  - resurfacing spare runway
  - work started on North Terminal extension
  - inter-terminal transit system replacement
- Stansted (£50.2 million spent)
  - reduced spend in CAA settlement agreed with airlines reflecting economic climate

Q3 passenger numbers suggest that the worst is over

Recent trends in passenger traffic

	9 months ended 30 September			3 months ended 30 September		
	2009 (m)	2008 (m)	**Change[1]**	**2009 (m)**	2008 (m)	**Change[1]**
By airport						
Heathrow	**49.9**	51.1	**-2.3%**	**18.6**	18.6	**+0.3%**
Gatwick	**25.4**	27.3	**-7.2%**	**10.6**	10.9	**-3.4%**
Stansted	**15.5**	17.6	**-12.0%**	**6.3**	6.8	**-8.3%**
By market served						
UK	**8.2**	8.9	**-8.2%**	**3.0**	3.2	**-5.2%**
Europe[2]	**50.9**	54.0	**-5.9%**	**20.7**	21.3	**-2.9%**
Long haul	**31.7**	33.0	**-4.1%**	**11.8**	11.9	**-0.7%**
Total[1]	**90.7**	**96.0**	**-5.5%**	**35.5**	**36.4**	**-2.4%**

1) Totals and percentage change calculated using un-rounded numbers

2) Includes North African charter traffic

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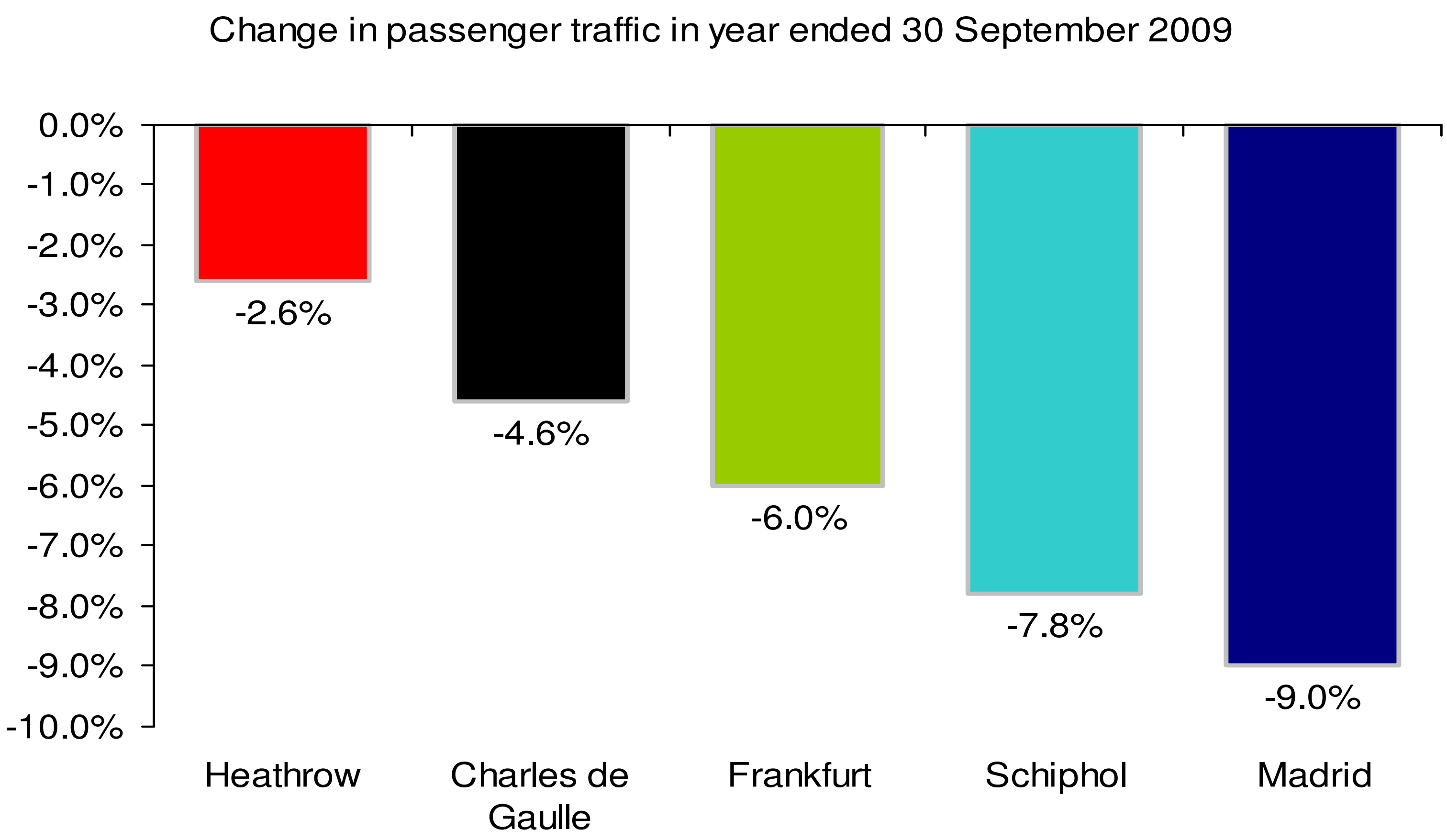
Heathrow continues outperforming its competitors



1) Data for Schiphol is for the year ended 31 August 2009

Significant positive progress in Government’s regulatory review

- BAA welcomes proposals for modernising regulation
- Government addressed creditor sensitive issues on 13 October 2009
  - no longer pursuing special administration insolvency regime
  - existing financing structure can be retained
- Next steps before end of 2009
  - publication of conclusions of overall review
  - launch further consultations on continuity of service and ring fencing

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Sale of Gatwick is a major step forward

- Sale of Gatwick airport to Global Infrastructure Partners for £1.51 billion...
  - including contingent consideration of up to £55 million
  - completion expected in December 2009
- ...is a major step forward
  - increased focus on Heathrow
  - key milestone for customers and the public at large
  - clarity for staff
  - breathing space to consider future
- Competition Appeal Tribunal hearing now complete
  - outcome of appeal anticipated by early 2010

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Key priorities

Making every journey better

Focus on Heathrow

Address policy and regulatory issues

Solid financial performance in challenging conditions

- Revenue up 7.6% (underlying revenue up 3.1%)
- Adjusted EBITDA up 16.8%
- Performance driven by
  - higher Heathrow/Gatwick tariffs
  - strong summer traffic
  - continued retail momentum
  - cost efficiency
- Stable gearing
- Strengthened liquidity

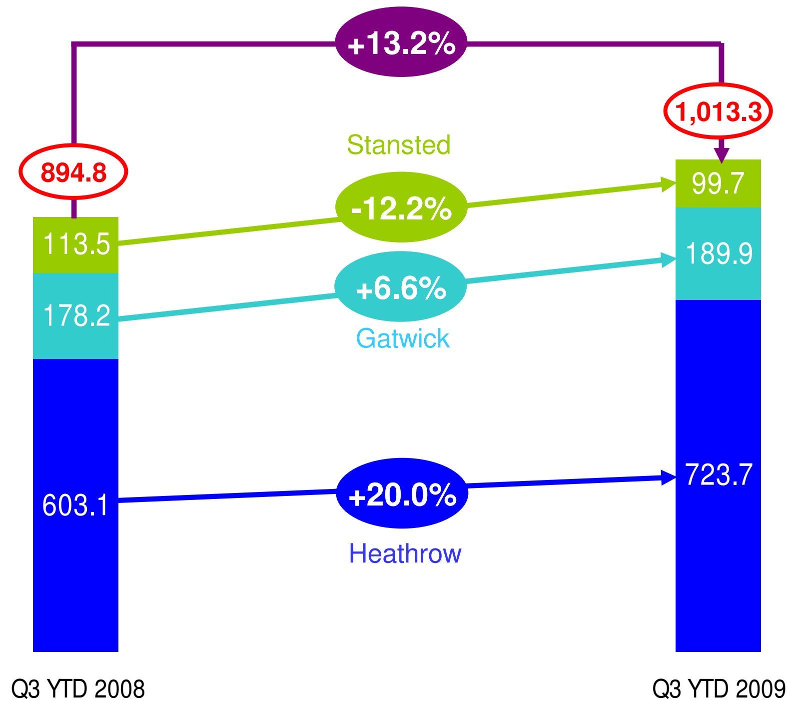
Q3 YTD 2009 BAA (SP) Limited consolidated financial highlights

	2009	2008[1]	Change
Revenue	**1,846.0**	1,716.2	**7.6%**
Employment costs[2]	**(296.0)**	(329.9)	**10.3%**
Non-employment costs[2]	**(745.4)**	(697.3)	**(6.9%)**
Adjusted EBITDA[3]	**804.6**	689.0	**16.8%**
Depreciation[4]	**(387.1)**	(321.6)	**(20.4%)**
Adjusted EBIT	**417.5**	367.4	**13.6%**
Net interest payable[5]	**(529.0)**	(400.6)	**(32.1%)**
Pre-tax loss[6]	**(784.7)**	(519.5)	**(51.0%)**
Cash flow from operations	**742.8**	517.7	**43.5%**
Net interest paid[7]	**(386.6)**	(28.5)	**(1256.5%)**
Capital expenditure	**(749.2)**	(813.2)	**7.9%**
Net debt[8]	**9,771.0**	9,426.0	**(3.7%)**
RAB[9]	**13,155.7**	12,470.2	**5.5%**

1) Although it was not acquired by the Group until 7 August 2008, profit and loss account figures for 2008 assume consolidation of Heathrow Express Operating Company Limited to make them comparable with 2009 figures
2) Excluding depreciation and exceptional items
3) Earnings before interest, tax, depreciation, amortisation and exceptional items
4) Excluding accelerated depreciation
5) Excluding fair value losses on financial instruments and exceptional interest charges
6) Pre-tax loss is after £312.1 million in exceptional items (2008: £243.8 million), £225.0 million in impairment charges (2008: £nil) and £136.1 million in fair value loss on financial instruments (2008: £242.5 million)
7) 2008 interest paid reflects interest being accrued but not paid on intra-group debt prior to the refinancing completed in August 2008
8) Nominal debt at 30 September 2009 and 31 December 2008 excluding intra-group loans and including index-linked derivative accretion
9) RAB: Regulatory Asset Base at 30 September 2009 and 31 December 2008

Aeronautical income driven by revised tariffs

- Increased aeronautical income supports substantial investment
  - 13.2% reported
  - 5.3% underlying[1]
- Heathrow up 20.0%



1) Underlying increase in aeronautical income adjusts for introduction of NATS' related income and phasing of introduction of increased Heathrow and Gatwick tariffs

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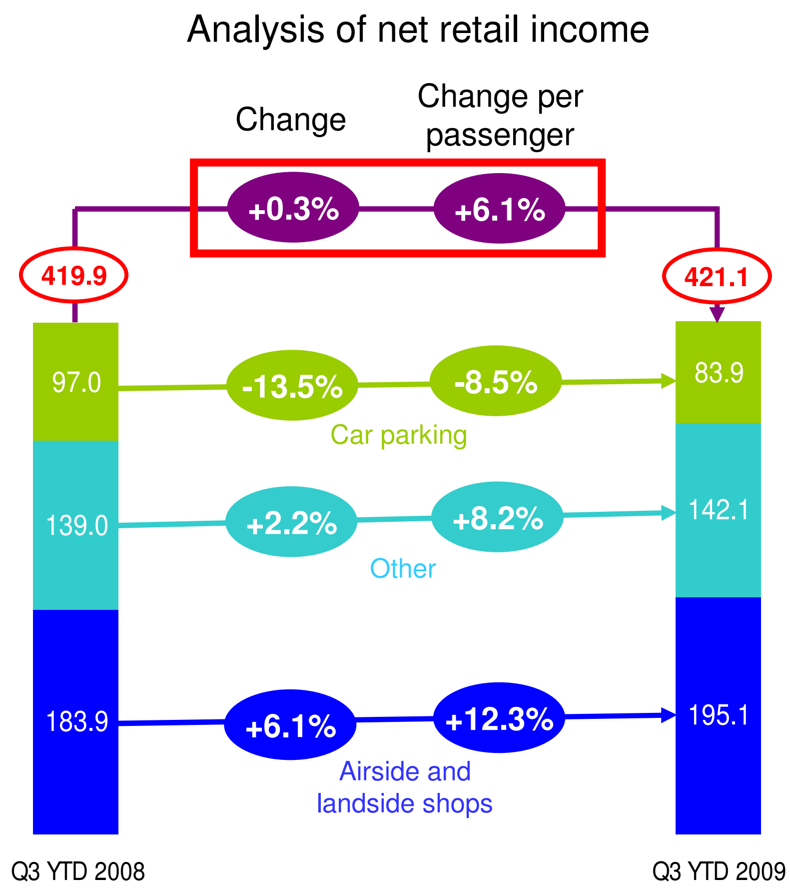
Retail momentum continues

- Net retail income per passenger up 6.1% to £4.64
  - Heathrow: +8.8%
  - Gatwick: +1.6%
  - Stansted: +2.8%
- In-terminal shopping driving performance
  - more intra-terminal transfer passengers
  - high quality retail facilities
  - exchange rates



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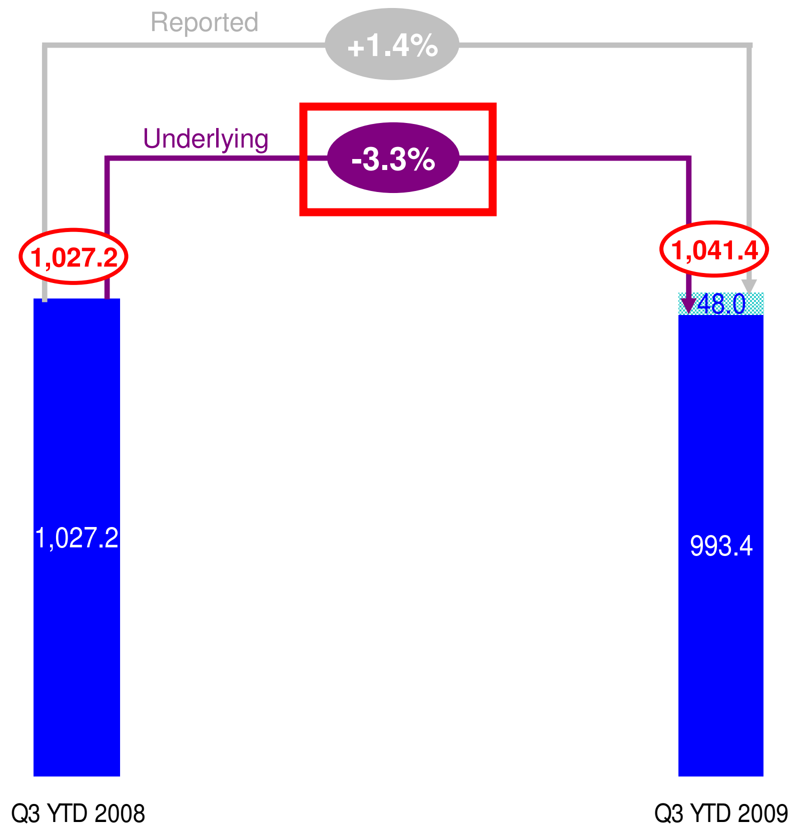
Strong cost discipline contributing to improved results

- Significant efficiency gains
- 3.3% underlying cost reduction(2)
  - 11.3% lower employment costs
  - 10.9% lower general expenses
  - 10.6% lower central overheads in intra-group charges
- Continue to identify opportunities to reduce costs
  - IT outsourcing
  - Heathrow car parking suppliers

Analysis of Adjusted Operating Costs(1)



1) Excluding depreciation and exceptional items
2) Underlying cost reduction calculated by adjusting for Terminal 5 pre-opening costs and NATS/PRM costs

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Exceptional items, impairment charges and fair value adjustments

	2009 (£m)
Exceptional item: change in BAA Airports pension scheme deficit	261.7
Exceptional item: accelerated depreciation on Heathrow Terminals 1/2	51.6
Impairment arising on the disposal of Gatwick airport	225.0
Fair value loss on financial instruments	136.1

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Stable debt, interest and gearing position

(figures in £m unless otherwise stated)	Nominal debt	Accounting debt	Interest payable (P&L)[1]	Interest paid (cash flow)
Bonds	4,498.9	4,772.3		
Refinancing facility	4,400.0	4,361.4		
Capex/EIB facilities	883.0	880.7		
Index-linked derivative accretion	16.3	0.0		
Cash	(27.2)	(27.2)		
Net debt (external to BAA group)	**9,771.0**	**9,987.2**	**460.5**	**277.4**
SP debenture (intra-group)	1,565.8	1,565.8	68.5	109.2
Net debt (including SP debenture)	**11,336.8**	**11,553.0**	**529.0**	**386.6**

1) Excluding fair value loss on financial instruments

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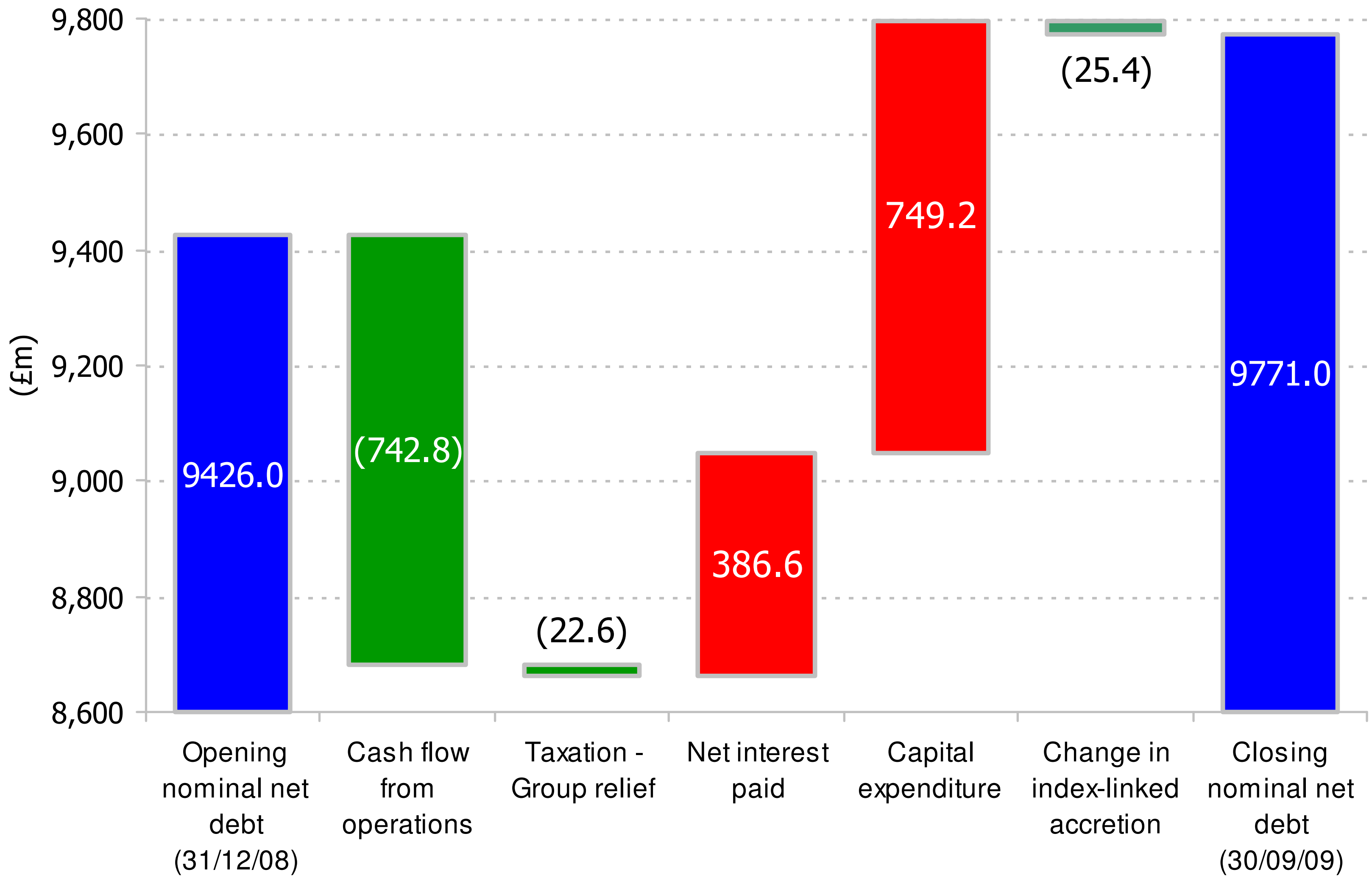
Business strongly cash generative pre-capital expenditure



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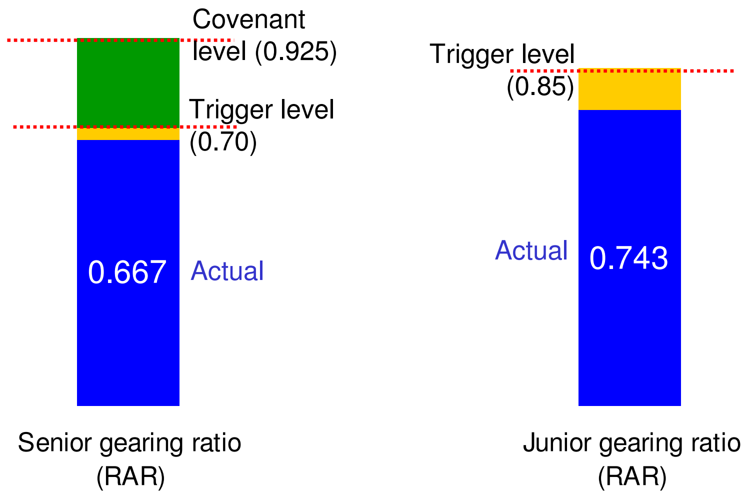
Stable gearing comfortably within required levels

- At 30 September 2009
  - nominal net debt[1]: £9,771.0 million
  - RAB[2]: £13,155.7 million
  - 5.67% average cost of debt[3], down from 6.07% at 31 December 2008
- Gearing (net debt to RAB) ratios
  - senior: 0.667x; junior: 0.743x
  - flexibility to manage senior gearing using currently undrawn junior tranche of capital expenditure facility
  - Gatwick sale neutral for overall gearing[4]
  - comfortably below trigger levels

Regulatory Asset Ratios at 30 September 2009



1) Debt figures exclude intra-BAA group loans and include index-linked derivative accretion
2) RAB: Regulatory Asset Base
3) Cost of debt including credit margin and after hedging
4) Excluding contingent consideration and after deducting payment into pension scheme, cost of terminating derivatives and other transaction related costs

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Strengthened liquidity position

- Group remains strongly cash generative
  - over £375 million of post-interest cash flow in first nine months of 2009
- Substantial liquidity with £2.3 billion in cash/undrawn facilities
- £1.2 billion estimated net proceeds(1) from Gatwick sale
  - repay in full £1.0 billion March 2010 bank refinancing facility maturity
  - balance to repay subsequent facility maturities
- No significant debt maturities until 2011
- Sale of Gatwick and Government clarification support implementation of longer term financing
  - the Group intends to return to debt capital markets in coming months

1) Excluding contingent consideration and after deducting payment into pension scheme, cost of terminating derivatives and other transaction related costs

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Conclusion

- Increasingly robust performance as traffic trends improve
- Heathrow’s global hub status driving superior performance
- Substantial progress on Gatwick sale and government review
- Continue focusing on key strategic priorities
- Liquidity position significantly strengthened

Appendix

Nominal net debt at 30 September 2009

		Debt outstanding at 30 September 2009	Amount and features of available facilities			
		Amount	Local currency		S&P/Fitch Rating	Maturity
Senior (Class A)		(£m)	(m)	(£m)		
Bonds		680.2	999.9	680.2	A-/A-	2012/14
		396.4	396.4	396.4	A-/A-	2013/15
		512.9	749.9	512.9	A-/A-	2014/16
		299.9	299.9	299.9	A-/A-	2016/18
		510.2	750.0	510.2	A-/A-	2018/20
		249.8	249.8	249.8	A-/A-	2021/23
		749.6	749.6	749.6	A-/A-	2023/25
		199.9	199.9	199.9	A-/A-	2028/30
		900.0	900.0	900.0	A-/A-	2031/33
Total bonds		**4,498.9**		**4,498.9**		
Bank debt	Refinancing Facility	3,400.0	3,400.0	3,400.0	A-/A-	2010/13
	EIB Facility	385.0	385.0	385.0	A-/A-	2010/22
	Capex Facility	498.0	2,300.0	2,300.0	n/a	2013
	Working Capital Facility	0.0	50.0	50.0	n/a	2013
Total bank debt		**4,283.0**		**6,135.0**		
Total senior debt		**8,781.9**		**10,633.9**		
Junior (Class B)						
Bank debt	Refinancing Facility	1,000.0	1,000.0	1,000.0	BBB/BBB	2010/13
	Capex Facility	0.0	400.0	400.0	n/a	2013
Total junior debt		**1,000.0**		**1,400.0**		
Index-linked derivative accretion		**16.3**				
Gross debt		**9,798.2**		**12,033.9**		
Cash		**(27.2)**				
Net debt		**9,771.0**				

1) Data reflects nominal value of debt and excludes intra-BAA group loans

Interest payable and interest paid reconciliation

(figures in £m unless otherwise stated)	SP debenture	External debt	Total
Interest receivable	0.0	116.1	116.1
Interest payable and similar charges	(68.5)	(594.4)	(662.9)
Fair value loss on financial instruments	0.0	(136.1)	(136.1)
Interest capitalised	0.0	17.8	17.8
Total net interest payable (profit and loss account)	**(68.5)**	**(596.6)**	**(665.1)**
Non-cash adjustments			
Fair value loss on financial instruments	0.0	136.1	136.1
Interest capitalised	0.0	(17.8)	(17.8)
Derivative prepayment interest amortisation	0.0	104.6	104.6
Amortisation of fees and bond fair value adjustment	0.0	65.7	65.7
Movement in interest accruals	(40.7)	25.9	(14.8)
Other	0.0	4.7	4.7
Net interest paid (cash flow statement)	**(109.2)**	**(277.4)**	**(386.6)**

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