

Heathrow Airport Limited

The Compass Centre,
Nelson Road, Hounslow,
Middlesex TW6 2GW

T: 020 8745 9968

Registered in England No: 1991017
Registered Office: The Compass Centre, Nelson Road,
Hounslow, Middlesex TW6 2GW

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Dear Sir/Madam

HEATHROW AIRPORT - RENTS INFORMATION (YEAR ENDED 31 MARCH 2012)

For your information, I enclose the following information sent to the CAA on property rents for the year ended 31st March 2012:-

1. Tables showing the actual property income for Heathrow airport.

Table 1

Statement of actual property income and variations to CAA forecasts. To ensure consistency in comparison with the underlying CAA forecasts for property income, the numbers include service charges and other property income as well as rental income.

Table 2

Restatement of the underlying CAA forecasts from 2007/08 prices to 2011/12 prices.

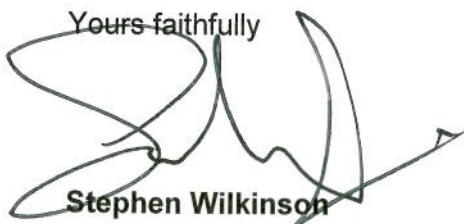
2. Regarding the Heathrow statement of how rentals for guide price properties have moved in comparison with the formula covering such properties for 2011/12.

As previously reported, the basis of calculation of the guide price rents is based on a basket of three indices, i.e. RPI, pax and Investment Property Databank (IPD) off-airport rents. The indices are weighted 33.3% each. The IPD off-airport rents element averages the Central London West London and Outer London indices.

I also attach a copy of the final published 'Heathrow Airport Rental Guide Prices 2011-2012' and a copy of the spreadsheet giving the calculation of the average index. As you will see the negative trend in the formula has been reversed this year with growth of 2%. Following consultation with users we continued the commitment in 2009 and 2010 not to increase rents in future years until the reduction in the formula for those years was fully offset by increases in future years. The growth in year 2011/12 did not fully offset the reduction in the two previous years therefore the rents were held again at 2008/9 guide price levels.

I hope you find this information useful and if you have any queries please direct them to the following e-mail address hal_property@baa.com.

Yours faithfully



Stephen Wilkinson
Heathrow Property Director

**Heathrow Airport
CAA Forecasts vs LHR Actuals 2011-12**

Table 1

Statement of actual Property income and variation to CAA forecasts			
(all figures in 2011/12 prices)			
CAA Forecast	LHR Actual	Variance	Variance
Property Income	Property Income	Property Income	Property Income
2011/12	2011/12	2011/12	2011/12
£'000s	£'000s	£'000s	%
103,855	102,092	-1,763	-1.7%

Table 2

Restatement of Property income to current year prices					
CAA Forecast	RPI uplift to	RPI uplift to	RPI uplift to	RPI uplift to	CAA Forecast
Property Income	2008/09 prices	2009/10 prices	2010/11 prices	2011/12 prices	Property Income
2011/12					2011/12
£'000s					£'000s
(in 2007/08 prices)					(in 2010/11 prices)
91,291	3.0%	0.5%	4.7%	5.0%	103,855
RPI		Uplift			
Average 2007/08	208.6				
Average 2008/09	214.8	2.98%			
Average 2009/10	215.8	0.47%			
Average 2010/11	226.0	4.73%			

Proposed Heathrow Airport Rental Guide Prices - 2011/12

	Rent £ / sq ft		Rent £ / sq M	
	Min	Max	Min	Max
Terminal 1				
Second floor office		£62.46		£672.36
CIP		£70.30		£756.65
Piers - standard ramp	£35.14	£41.61	£378.27	£447.86
Piers - first floor	£36.55	£43.02	£393.42	£463.02
Terminal 3				
North Wing		£56.23		£605.23
South Wing		£62.46		£672.36
East Wing		£60.45		£650.69
Departures ground floor R/O check-in		£47.80		£514.54
Departures ground floor off back corridor		£42.17		£453.92
Infill Offices		£62.46		£672.36
CIP - Departures		£70.30		£756.65
CIP - Arrivals	£66.76	£70.30	£718.60	£756.65
Piers - standard ramp	£35.14	£41.61	£378.27	£447.86
Building 820				
First and Second Floor		£50.00		£538.22
Ground Floor		£52.71		£567.41
Bays		£32.78		£352.79
D'Albiac House				
Bays		£29.50		£317.54
Offices (Outer offices)		£45.27		£487.32
Offices (Inner offices)		£44.01		£473.67
Terminal 4				
NE Extension, Balcony		£62.46		£672.36
Departures rear of check in		£47.80		£514.54
Mezzanine airside		£45.00		£484.34
Standard ramp	£35.14	£41.61	£378.27	£447.86
CIP		£70.30		£756.65
Terminal 5				
CIP - T5A		£77.31		£832.19
CIP - T5B/C		£73.46		£790.66
T5A - Landside offices/support accom		£67.77		£729.49
T5A - Airside offices/support accom		£55.73		£599.84
T5A - Airside apron level support accom (Ramp)		£43.69		£470.31
T5B/C - Airside offices/support accom		£53.08		£571.33
T5B/C - Apron level support accom (Ramp)		£42.65		£459.09
Desk Frontage Rates - All Terminals				
Check-In		£499.12		£1,637.51
Sales and Reservation		£1,033.39		£3,390.35
Transfer		£499.12		£1,637.51
Information		£766.26		£2,513.95

Unless otherwise stated:

The Rents are exclusive of Maintenance Rent and Heating Rent or Service Charge

All rents (except CIP) assume measurement based on net internal area

A discount of 10% is given for No Natural Light, unless all the accommodation in the category has no natural light

Where there is a price range, actual charge will be based on the overall quality and location of accommodation.

Typically, new build will be at the top of range.