

ADI Finance 1 Limited Annual Report

For the period from
26 June 2006 to 31 December 2006



REPORT AND FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2006

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Eng Seng Ang	
Ghislain Gauthier	
Juan Bejar Ochoa	- Alternate Director
Luis Sanchez Salmeron	
Robert Cote	- Alternate Director
Stuart Baldwin	- Alternate Director

SECRETARY

Robert Herga

REGISTERED OFFICE

130 Wilton Road
London
SW1V LQ

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

BANKERS

Barclays Bank Plc
PO Box 544
54 Lombard Street
London
EC3V 9EX

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for ADI Finance 1 Limited ("the Company") for the six month period ended 31 December 2006 ("the period")

PRINCIPAL ACTIVITIES

The Company is involved in the financing activities of its ultimate parent entity in the UK (FGP Topco Limited) in the acquisition, and ongoing operations, of BAA Limited (formerly BAA plc)

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

During the period a subsidiary of the Company (Airport Development and Investment Limited) acquired 100% shareholding of BAA plc

The financial statements have been prepared for the period from 26 June to 31 December 2006 and for the purposes of these accounts has been described as the six month period ended 31 December 2006

The Company incurred net interest charges of £18.8 million during the period (period to 25 June 2006: £nil)

No significant changes to the activities of the Company are expected in future periods.

RESULTS AND DIVIDENDS

The loss for the period before taxation amounted to £19.0 million (period to 25 June 2006: £nil)

The directors do not recommend payment of a dividend (period to 25 June 2006: £nil)

BOARD OF DIRECTORS

The directors who served during the period and since the period end are as follows

Eng Seng Ang	
Ghislain Gauthier	
Juan Béjar Ochoa	resigned 5 July 2006
	appointed 5 July 2006 (alternate director)
Luis Sanchez Salmeron	appointed 5 July 2006
Robert Cote	alternate director
Stuart Baldwin	alternate director

REPORT OF THE DIRECTORS (continued)

DIRECTORS' INTERESTS

The Company is exempted from disclosing interests of the directors in the share capital of the ultimate parent company by virtue of the Companies (Disclosure of Director's Interests) (Exemptions) Regulation 1985 (SI 1985 no 802)

None of the directors had any interests in the ordinary shares of the Company at the end of the period or had interests in any of the Company's subsidiaries at any time during the period. None of the directors had a material interest in any contract of significance with the Company or any of its subsidiary undertakings during the year.

DIRECTORS EMOLUMENTS

The emoluments of all the directors of the company were borne by Ferrovial Infraestructuras S A, a company incorporated in Spain.

EMPLOYEES

The Company has no employees.

PRINCIPAL RISKS AND UNCERTAINTIES

As a financing entity, the Company is exposed to treasury-related financial risks, as set out below. These risks are managed on the following basis:

(a) Interest rates

To maintain a mix of fixed and floating rate debt within to match the needs of the business and within Board approved parameters.

(b) Funding and liquidity

To ensure continuity of funding and flexibility debt maturities are spread over a range of dates, thereby ensuring that the Company is not exposed to excessive refinancing risk in any one year.

(c) Counterparty credit

The company's exposure to credit-related losses, in the event of non-performance by counterparties to financial instruments, is mitigated by limiting exposure to any one party or instrument.

FINANCIAL RISK MANAGEMENT

The Company deposits funds with, and borrows funds from, entities within the structure of its parent entity group of companies, in addition to borrowings from third party banks. The Board delegates certain responsibilities to management who directly control day-to-day treasury operations.

REPORT OF THE DIRECTORS (continued)

AUDIT INFORMATION

The directors are satisfied that the auditors are aware of all information relevant to the audit of the Company's financial statements for the period ended 31 December 2006 and that they have taken the steps that they ought to have taken as directors in order to make them aware of any relevant audit information and to establish that the Company's auditors are aware of that information

AUDITORS

A resolution has been passed to dispense with the obligation to appoint auditors annually in accordance with Section 386 of the Companies Act 1985. Accordingly, PricewaterhouseCoopers LLP shall be deemed to be re-appointed as auditors 28 days after the accounts are sent to the members

By order of the Board

A handwritten signature in black ink, appearing to be 'R Herga', written over a horizontal line.

R Herga
Company Secretary

30 May 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy, the financial position of the Company, and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ADI FINANCE 1 LIMITED

We have audited the financial statements of ADI Finance 1 Limited for the period ended 31 December 2006 which comprise the Profit and Loss Account, Reconciliation of Movements in Shareholders' Funds, Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the Company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

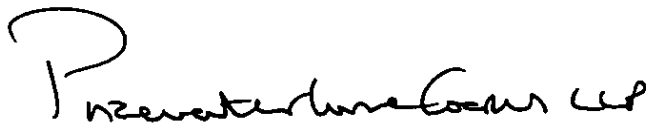
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT (Continued)
TO THE MEMBERS OF ADI FINANCE 1 LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2006 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

30 May 2007

PROFIT AND LOSS ACCOUNT
For the period ended 31 December 2006

	Note	Period to 31 December 2006 £'000	Period to 25 June 2006 £'000
Operating costs	3	(174)	-
Net interest payable and similar charges	4	(18,838)	-
Loss on ordinary activities before tax		(19,012)	-
Tax on loss on ordinary activities	5	5,704	-
Loss for the financial period		(13,308)	-

There is no difference between the results as disclosed in the Profit and Loss Account and that on an unmodified historical cost basis

There are no recognised gains or losses for the current period other than those stated above.

All results relate to continuing operations

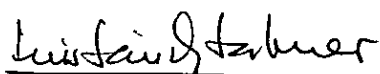
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
For the period ended 31 December 2006

	Note	Period to 31 December 2006 £'000	Period to 25 June 2006 £'000
Loss for the financial period	12	(13,308)	-
Increase in share premium	11	-	4,485
Net (decrease) / increase to shareholders' funds		(13,308)	4,485
Opening shareholders' funds		4,485	-
Closing shareholders' funds		(8,823)	4,485

BALANCE SHEET**As at 31 DECEMBER 2006**

	Note	31 December 2006 £'000	25 June 2006 £'000
Fixed assets			
Investments	6	4,485	4,485
Current assets			
Trade and other receivables due after more than one year	7	5,255,688	2,862,202
Creditors: amounts falling due within one year			
Trade and other payables	8	(34,108)	-
Net current assets		5,221,580	2,862,202
Total assets less current liabilities		5,226,065	2,866,687
Creditors: amounts due after more than one year			
Trade and other payables	8	(124,780)	(6,201)
Borrowings	9	(5,110,108)	(2,856,001)
		(5,234,888)	(2,862,202)
Net (liabilities)/assets		(8,823)	4,485
Capital and reserves			
Called up share capital	10	-	-
Share premium	11	4,485	4,485
Profit and loss account	12	(13,308)	-
Total equity shareholder's (deficit)/funds		(8,823)	4,485

The Financial Statements were approved by the Board of Directors on 30 May 2007 and signed on their behalf by



Luis Sanchez Salmeron
Director

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2006

1. ACCOUNTING POLICIES

Basis of accounting

The Company's financial statements are prepared under the historical cost convention and in accordance with all applicable United Kingdom Accounting Standards

A cash flow statement has not been presented in these financial statements as the Company qualifies for exemption under the terms of Financial Reporting Standard ("FRS") 1 'Cash flow statements' (revised 1996)

The validity of the going concern assumption depends on the continued support of the Company's parent company, FGP Topco Limited. The Company has received confirmation from FGP Topco Limited that support will continue for the foreseeable future. In light of this support, the directors believe that it is appropriate for the financial statements to be prepared on a going concern basis.

Interest

Interest payable and receivable is charged as incurred

Investments

Investments in subsidiary undertakings are stated at cost and reviewed for impairment if there are indications that the carrying value may not be recoverable

Financial instruments

Trade and other receivables

Trade and other receivables are recognised initially at cost less any provision for diminution in value

Trade and other payables

Trade and other payables are non-interest bearing and are stated at cost

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost unless part of a fair value hedge relationship. Any difference between the amount initially recognised (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

Deferred taxation

In accordance with FRS 19 'Deferred Tax', deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period ended 31 December 2006

Share capital

Ordinary shares are classified as equity and are recorded at the par value of proceeds received, net of direct issue costs. Where shares are issued above par value, the proceeds in excess of par value are recorded in the share premium account.

2. OPERATING PROFIT

Employee information

The Company has no employees.

Audit fees

Audit fees for the company are borne by FGP Topco Limited.

3. OPERATING COSTS

	Period to 31 December 2006 £'000	Period to 25 June 2006 £'000
Bank charges	174	-

4. NET INTEREST PAYABLE AND SIMILAR CHARGES

	Period to 31 December 2006 £'000	Period to 25 June 2006 £'000
Finance income		
Interest received and receivable from loans to group undertakings	133,767	6,201
Finance costs		
Interest on bank loans	(34,025)	-
Interest paid and payable on loans from group undertakings	(118,580)	(6,201)
	(152,605)	(6,201)
Net interest payable and similar charges	(18,838)	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period ended 31 December 2006

5. TAX ON LOSS ON ORDINARY ACTIVITIES

	Period to 31 December 2006 £'000	Period to 25 June 2006 £'000
Loss on ordinary activities before tax	(19,012)	-
UK Corporation Tax Current at 30%	5,704	-

6. INVESTMENT IN SUBSIDIARY

	31 December 2006 £'000
At 26 June and 31 December 2006	4,485

Investments comprise the purchase of 2 ordinary shares of 10p at £2,242,500 per share (100% shareholding) in ADI Finance 2 Ltd, a company incorporated in the UK. ADI Finance 2 Limited is involved in the financing activities of its ultimate parent entity in the UK (FGP Topco Limited) in the acquisition, and ongoing operations, of BAA Limited (formerly BAA plc).

7. TRADE AND OTHER RECEIVABLES

	31 December 2006 £'000	25 June 2006 £'000
Due after more than one year:		
Loans due from group undertakings	5,249,984	2,862,202
Corporation tax recoverable	5,704	-
	5,255,688	2,862,202

Loans due from group undertakings carry interest at floating rate based on 3 month LIBOR plus a positive margin of 50 basis points, with a 10 year maturity date commencing April 2006.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period ended 31 December 2006

8. TRADE AND OTHER PAYABLES

	31 December 2006	25 June 2006
	£'000	£'000
Due within one year:		
Interest and bank charges	34,108	-
Due after more than one year:		
Loans due to group undertakings	124,780	6,201

All trade and other payables due after more than one year are interest due on loans from group undertakings. Inter company loans have a 10 year maturity commencing April 2006

9. BORROWINGS

	Effective Interest Rate	31 December 2006	25 June 2006
		£'000	£'000
Loans from group undertakings	3 months Libor plus 50 basis points	4,528,016	-
Other loans from group undertakings	5.22%	-	2,856,001
Bank loans	11.92%	582,092	-
		5,110,108	2,856,001

Loans from group undertakings carry interest at floating rate based on 3 month LIBOR plus a positive margin of 50 basis points, with a 10 year maturity date commencing April 2006

Bank loans have a floating interest rate based in LIBOR plus 6.8875% with a maturity of 2026

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period ended 31 December 2006

10. CALLED UP SHARE CAPITAL

	31 December 2006 £	25 June 2006 £
Authorised		
100 ordinary shares of 10p each	10	10
Called up, allotted and fully paid		
2 ordinary shares of 10p each	-	-

2 ordinary shares were issued on 28 February 2006

11. SHARE PREMIUM

	£'000
At 25 June and 31 December 2006	4,485

The share premium arose on the issue of 2 ordinary shares on 28 February 2006 at £2,242,499 90 each with a nominal value of 10 pence

12. PROFIT AND LOSS ACCOUNT

	£'000
At 26 June 2006	-
Loss for the financial period	(13,308)
31 December 2006	(13,308)

13. PARENT UNDERTAKING

The immediate parent undertaking is ADI Finance 2 Limited, a company incorporated in the UK. The UK parent entity is FGP Topco Limited.

The controlling parent undertaking is Ferrovial Infraestructuras S A, a member of the ultimate controlling undertaking, Grupo Ferrovial, S A, a company incorporated in Spain.

Copies of the Grupo Ferrovial financial statements may be obtained by writing to the Company Secretary of Ferrovial Infraestructuras S A, Plaza Manuel Gomez Moreno, 2 Edificio Alfredo Mahou, Madrid (28020), Spain.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period ended 31 December 2006

14. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption granted by FRS 8, 'Related party disclosures' not to disclose related party transactions with FGP Topco Limited group companies