ADI FINANCE 1 LIMITED

Report and Financial Statements for the year ended 31 December 2008

Company Registration Number 5723977

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Eng Seng Ang	
Ghislain Gauthier	
Luis Sanchez Salmeron	
Inigo Meiras	Alternate to Luis Sanchez Salmeron
Stuart Baldwin	Alternate to Eng Seng Ang

SECRETARY

Carol Hui	Appointed 22 April 2009

REGISTERED OFFICE

130 Wilton Road
London
SW1V LQ

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
WC2N 6RH

BANKERS

The Royal Bank of Scotland plc
Large Corporate Service Centre
2 ½ Devonshire Square
London
EC2M 4XJ

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for ADI Finance 1 Limited ('the Company') for the year ended 31 December 2008 ('the year').

PRINCIPAL ACTIVITIES

The Company is involved in the financing activities of its parent entity in the UK (FGP Topco Limited) comprising the initial acquisition of, and financing the ongoing operations of the BAA Limited Group.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The Company incurred net interest charges of £57.8 million during the year (2007: £46.3 million).

On 15 August 2008 the issued share capital was increased by £40,000,000 by the creation of 400,000,000 ordinary shares of 10p each issued at £1 each.

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

RESULTS AND DIVIDENDS

The loss after taxation for the financial year amounted to £44.4 million (2007: £32.5 million).

The directors do not recommend payment of a dividend (2007: £nil).

DIRECTORS

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

Eng Seng Ang	
Ghislain Gauthier	
Luis Sanchez Salmeron	
Inigo Meiras	alternate to Luis Sanchez Salmeron
Stuart Baldwin	alternate to Eng Seng Ang

DIRECTORS' INTERESTS

None of the directors held interests in the ordinary shares of the Company at the year end.

COMPANY SECRETARY

Carol Hui	appointed 22 April 2009

EMPLOYEES

The Company has no employees.

REPORT OF THE DIRECTORS (continued)

RISK MANAGEMENT

Financial risk management
The Company's key risks are those related to financial risk management objectives and are aligned with its parent company, and can be found in the financial statements of that company. Furthermore, details of the treasury policies for the wider Group are also given in the financial statements of FGP Topco Limited.

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

(a) Interest rates
The Company's cash flow interest rate risk arises from floating rate intercompany debt, however the majority of the floating interest payable on the loan from the Company's parent, FGP Topco Limited, is naturally hedged with the floating interest receivable on the loan to the Company's subsidiary, ADI Finance 2 Limited. In addition, the Company holds nominal £763.9 million (31 December 2007: £674.8 million) external floating rate debt, the Toggle Facility, which is not hedged.

(b) Funding and liquidity
The Company deposits funds with, and borrows funds from, group undertakings, in addition to borrowings from third party banks. The Board delegates certain responsibilities to management who directly control day-to-day treasury operations.

To ensure that the Company is not exposed to excessive refinancing risk in any one year, the Company holds a long-term perpetual debt. The maturity of the Company's loan from its parent in 2016 is funded by the maturity of the Company's loan to its subsidiary in the same year.

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

(d) Covenants
The Toggle Facility contains customary restrictions on change of control and distributions to shareholders as well as restriction on borrowings. Under the Toggle facility the ADI Finance 1 Group is required to maintain Consolidated Total Net Debt to Adjusted RAB ratio. The required level of this ratio as at 31 December 2008 is less than 96.5 per cent.

REPORT OF THE DIRECTORS (continued)

POST BALANCE SHEET EVENTS

In June 2006, the Company and ADI Finance 2 Limited entered into a downstream loan agreement pursuant to which the Company advanced funds to ADI Finance 2 Limited in the principal amount of £5,109,846,504 and subject to an interest rate of 6.06% per annum. The whole principal amount and the accrued interest remained outstanding as at 22 April 2009.

On 22 April 2009, the Company agreed to waive the accrued interest on the downstream loan from the period between the date the downstream loan was made and 31 March 2009 for an amount of £837,803,961. In addition, the terms on the original downstream loan have been amended and restated such that the applicable interest rate on the downstream loan will be on equal terms to that which applies to the external bank debt plus an additional lender premium of 12.5 basis points.

On the same day, the Company has subscribed for 42,598,465,040 ordinary shares of £0.10 each in ADI Finance 2 Limited for the aggregate amount of £4,259,846,504. The Company then entered into a deed of set-off with ADI Finance 2 Limited and agreed to set off this amount against the downstream loan mentioned above. This has reduced the amount owed by ADI Finance 2 Limited to the Company to £850,000,000 which will deliver sufficient interest payable to pass into the Company to fund future external debt interest payments.

DIRECTORS' INDEMNITY

The Company's Articles of Association provide that, subject to the provisions of the Companies Act, but without prejudice to any indemnity to which the person concerned might otherwise be entitled, every director of the Company shall be indemnified out of the assets of the Company against any loss or liability incurred by him in defending any proceedings in which judgement is given in his favour, or in which he is acquitted or in connection with any application in which relief is granted to him by the court for any negligence, default, breach of duty or breach of trust by him in relation to the Company or otherwise in connection with his duties or powers or office.

DISCLOSURE OF INFORMATION FOR AUDITORS

The directors are satisfied that the auditors are aware of all information relevant to the audit of the Company's financial statements for the year ended 31 December 2008 and that they have taken all 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

Pursuant to the provisions of section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will automatically be re-appointed as Auditors of the Company.

By order of the Board

Carol Hui
Company Secretary
29 May 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice (UK GAAP)). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for maintenance and integrity of the BAA website. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

Carol Hui
Company Secretary

29 May 2009

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

We have audited the financial statements of ADI Finance 1 Limited for the year ended 31 December 2008 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Directors and the Statement of Directors' Responsibilities. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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.

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

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.

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 2008 and of its loss for the year then ended;

- the financial statements have been properly prepared in accordance with the Companies Act 1985; and

- the information given in the Report of the Directors is consistent with the financial statements.

PricewaterhouseCoopers LLP.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

29 May 2009

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2008

	Notes	Year ended 31 December 2008 £'000	Year ended 31 December 2007 £'000
Operating income /(costs)	3	22	(47)
Net interest payable and similar charges	4	(57,828)	(46,211)
Loss on ordinary activities before tax		(57,806)	(46,258)
Tax credit on loss on ordinary activities	5	13,411	13,800
Loss on ordinary activities after taxation	11	(44,395)	(32,458)

The notes on pages 11 to 18 form an integral part of these financial statements.

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 year or the prior year other than those stated above.

All results relate to continuing operations.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
For the year ended 31 December 2008

	Notes	Year ended 31 December 2008 £'000	Year ended 31 December 2007 £'000
Loss for the financial year	11	**(44,395)**	(32,458)
Net decrease in shareholders' funds		**(44,395)**	(32,458)
Issue of shares and share premium	9/10	**400,000**	-
Opening shareholders' deficit		**(41,281)**	(8,823)
Closing shareholders' funds/(deficit)		**314,324**	(41,281)

The notes on pages 11 to 18 form an integral part of these financial statements.

BALANCE SHEET
As at 31 December 2008

	Notes	31 December 2008 £'000	31 December 2007 £'000
FIXED ASSETS			
Investments	6	**404,485**	4,485
CURRENT ASSETS			
Debtors: due within one year	7	**800,504**	481,371
: due after more than one year	7	**5,030,743**	5,088,251
TOTAL CURRENT ASSETS		**5,831,247**	5,569,622
CREDITORS: amounts falling due within one year	8	**(745,468)**	(457,525)
NET CURRENT ASSETS		**5,085,779**	5,112,097
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,490,264**	5,116,582
Creditors: amounts falling due after more than one year	8	**(5,175,940)**	(5,157,863)
NET ASSETS / (LIABILITIES)		**314,324**	(41,281)
CAPITAL AND RESERVES			
Called up share capital	9	**40,000**	-
Share premium reserve	10	**364,485**	4,485
Profit and loss reserve	11	**(90,161)**	(45,766)
TOTAL SHAREHOLDERS' FUNDS / (DEFICIT)		**314,324**	(41,281)

The notes on pages 11 to 18 form an integral part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 29 May 2009 and were signed on their behalf by:

Luis Sanchez Salmeron
Director

Eng Seng Ang
Director

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 1985 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice (UK GAAP)) except as set out within the accounting policies note.

The directors have prepared the financial statements on a going concern basis which requires the directors to have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The principal accounting policies are set out below.

Consolidated financial statements

The Company has taken advantage of the exemption provided by section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it is a wholly owned subsidiary of FGP Topco Limited and it and its subsidiary undertakings are included in the consolidated financial statements of that company for the year ended 31 December 2008. FGP Topco Limited is a company registered in England and Wales.

The financial statements present information about the Company as an individual entity only and not as a group.

Interest

Interest payable and receivable is charged as incurred.

Investments

Investments held as fixed assets are stated at cost and reviewed for impairment if there are any indications that the carrying value may not be recoverable.

Dividend distribution

A dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the shareholders' right to receive payment of the dividend is established by approval of the dividend at the Annual General Meeting. Interim dividends are recognised when paid.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2008

1. ACCOUNTING POLICIES (continued)

Debtors

Debtors are recognised initially at cost less any provision for diminution in value and subsequently measured at amortised cost, using the effective interest method, less provision for impairment.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and 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.

Current and deferred taxation

The current income tax is calculated on the basis of tax laws enacted of substantively enacted at the balance sheet date in the United Kingdom.

In accordance with Financial Reporting Standard ("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.

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 reserve.

Cash flow statement and related party disclosures

The Company is wholly owned by FGP Topco Limited, a company registered in England and Wales. The results of the Company are included in the audited consolidated financial statements of FGP Topco Limited for the year ended 31 December 2008. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 'Cash Flow Statements (revised 1996)'.

The Company is also exempt under the terms of FRS 8 'Related Party Disclosures' from disclosing related party transactions with entities that are part of the FGP Topco Limited group.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2008

2. OPERATING PROFIT

Employee information
The Company has no employees.

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

Directors' emoluments
None of the directors received emoluments in their capacity as a director of the Company (2007: £nil).

3. OPERATING INCOME/(COSTS)

	Year ended 31 December 2008 £'000	Year ended 31 December 2007 £'000
Consultancy fees	22	-
Bank and legal fees costs	-	(47)
Total income / (costs)	22	(47)

4. NET INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 December 2008 £'000	Year ended 31 December 2007 £'000
Interest receivable		
Interest receivable from other group undertakings	319,490	327,537
Interest payable		
Interest payable on bank borrowings	(94,534)	(83,220)
Interest payable on loans from group undertakings	(282,784)	(290,528)
Interest payable	(377,318)	(373,748)
Net interest payable and similar charges	(57,828)	(46,211)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2008

5. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	Year ended 31 December 2008 £'000	Year ended 31 December 2007 £'000
Current tax		
Group relief receivable	**(13,509)**	(13,865)
Adjustment to tax credit in respect of prior years	**98**	65
Current tax credit for the year	**(13,411)**	(13,800)

Reconciliation of tax charge

The standard average rate of current tax for the year, based on the UK standard rate of corporation tax, is 28.5% (2007: 30%). The actual tax credit for the current period differs from the standard rate for the reasons set out in the following reconciliation:

	Year ended 31 December 2008 £'000	Year ended 31 December 2007 £'000
Loss on ordinary activities before tax	**(57,806)**	(46,258)
Tax on loss on ordinary activities at 28.5% (2007: 30%)	**(16,475)**	(13,877)
Permanent differences	**2,966**	12
Adjustment to tax credit in respect of prior years	**98**	65
Current tax credit for the year	**(13,411)**	(13,800)

The standard rate of corporation tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly, the Company's losses for this accounting period are taxed at an effective rate of 28.5% and will be taxed at 28% in the future.

Other than this change there are no items which would materially affect the future tax charge.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2008

6. INVESTMENTS

	31 December £'000
At 1 January 2008	4,485
Increase in investment in ADI Finance 2 Limited	400,000
At 31 December 2008	**404,485**

In the opinion of the directors, the aggregate value of the shares in the subsidiary undertaking is not less than the aggregate of the amount at which they are stated in the Company's balance sheet.

On 15 August 2008 the Company increased its investment in ADI Finance 2 Limited by the purchase of 400 million shares of £0.10 for £1 each. The investment represents 100% share capital in ADI Finance 2 a company incorporated in England and Wales. ADI Finance 2 Limited is involved in the financing activities of its ultimate parent entity in the UK, FGP Topco Limited and in the acquisition and ongoing operations of BAA Airports Limited (formerly BAA Limited).

7. DEBTORS

	31 December 2008 £'000	31 December 2007 £'000
Due within one year:		
Group relief receivable	**13,509**	13,865
Interest on loans due from group undertakings	**786,995**	467,506
	800,504	481,371
Due after more than one year:		
Amounts owed from group undertakings-interest bearing	**5,030,743**	5,088,251
	5,030,743	5,088,251
	5,831,247	5,569,622

Loans due from group undertakings are receivable from the Company's subsidiary ADI Finance 2 Limited and carry interest at floating rate based on 3 month LIBOR plus a positive margin of 0.50%, with a final maturity date of June 2016. The loans are payable on demand but are not expected to be repaid for a period of at least 12 months from the balance sheet date. Refer to note 13 'Post Balance Sheet Event'.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2008

8. BORROWINGS

	31 December 2008 £'000	31 December 2007 £'000
Due within one year:		
Interest payable	**47,375**	42,216
Interest due to group undertakings	**698,093**	415,309
	745,468	457,525
Due after more than one year:		
Amounts due to group undertakings- interest bearing	**4,429,445**	4,500,742
Bank loan – Toggle Facility	**746,495**	657,121
	5,175,940	5,157,863
	5,921,408	5,615,388

Loans from group undertakings are payable to the Company's parent FGP Topco Limited and carry interest at floating rate based on 3 month LIBOR plus a positive margin of 0.50%, with a final maturity date of June 2016. The loans are payable on demand but are not expected to be repaid for a period of at least 12 months from the balance sheet date.

The Toggle Facility has a floating interest rate based on 6 month LIBOR plus 6.8875%, which included capitalised interest of £164 million. This facility is a perpetual debt and is carried at amortised cost.

The Toggle Facility contains customary restrictions on change of control and distributions to shareholders as well as restriction on borrowings. Under the Toggle facility the ADI Finance 1 Group is required to maintain Consolidated Total Net Debt to Adjusted RAB ratio. The required level of this ratio as at 31 December 2008 is less than 96.5 per cent.

9. CALLED UP SHARE CAPITAL

	31 December 2008 £	31 December 2007 £
Authorised		
At incorporation 100 ordinary shares of 10p each	**10**	10
On 15 August 2008 400,000,000 shares of 10p each	**40,000,000**	-
At 31 December	**40,000,010**	10
During the year the authorised share capital was increased by £40,000,000 by the creation of 400,000,000 ordinary shares of 10p each		
Allotted, called up and fully paid	**£**	£
In issue at 1 January, 2 ordinary shares of 10p each	-	-
Issued on 4 May 2008, 2 ordinary shares of 10p each	-	-
Issue on 15 August 2008 of 400,000,000 ordinary shares of £0.10	**40,000,000**	-
In issue at 31 December 2008: 400,000,004 ordinary shares of £0.10 each (2007: 2 ordinary shares of £0.10 each)	**40,000,000**	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2008

9. CALLED UP SHARE CAPITAL (continued)

On 4 May 2008 2 ordinary shares were issued at 10p each. On 15 August 2008 the issued share capital was then increased by £40,000,000 by the creation of 400,000,000 ordinary shares of 10p each issued at £1 each.

10. SHARE PREMIUM RESERVE

	£'000
At 1 January 2008	4,485
Arising on share issue of 15 August 2008 (note 9)	360,000
At 31 December 2008	**364,485**

11. PROFIT AND LOSS RESERVE

	£'000
At 1 January 2008	(45,766)
Loss for the financial year	(44,395)
At 31 December 2008	**(90,161)**

12. ULTIMATE PARENT UNDERTAKING

The immediate and ultimate parent undertaking in the UK is FGP Topco Limited, a company registered in England and Wales and the ultimate parent of FGP Topco Limited is Grupo Ferrovial S.A. a company incorporated in Spain, which is the largest group to consolidate these financial statements.

Copies of the financial statements of FGP Topco Limited may be obtained by writing to the Company Secretary at 130 Wilton Road, London, SW1V 1LQ.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2008

13. POST BALANCE SHEET EVENT

In June 2006, the Company and ADI Finance 2 Limited entered into a downstream loan agreement pursuant to which the Company advanced funds to ADI Finance 2 Limited in the principal amount of £5,109,846,504 which were subject to an interest rate of 6.06%. The whole principal amount and the accrued interest remained outstanding as at 22 April 2009.

On 22 April 2009, the Company agreed to waive the accrued interest on the downstream loan from the period between the date the downstream loan was made and 31 March 2009, this amounted to £837,803,961. In addition, the terms on the original downstream loan have been amended and restated such that the applicable interest rate on the downstream loan will be on equal terms to that which applies to the bank debt plus an additional lender premium of 12.5 basis points.

On the same day, the Company subscribed for 42,598,465,040 ordinary shares of £0.10 each in ADI Finance 2 Limited for the aggregate amount of £4,259,846,504. The Company then entered into a deed of set-off with ADI Finance 2 Limited and agreed to set off this amount against the downstream loan mentioned above. This reduces the amount owed by ADI Finance 2 Limited to the Company to £850,000,000 which will deliver sufficient interest payable to pass into the Company to fund future bank interest payments.

14. CONTINGENT LIABILITIES

Guarantees

BAA (DSH) Limited and its subsidiaries (other than BAA Funding Limited and Heathrow Airport Community Board Insulation Limited), plus ADI Finance 2 Limited, BAA Limited, BAA Airports Holdco Limited and BAA Airports Limited are guarantors under the Subordinated Facility. All the guarantors, apart from ADI Finance 2 Limited, are party to transaction security which secures liabilities arising under the Subordinated Facility.