ABPA Holdings Limited

Investor Report – 31 December 2020

Important Notice

This Investor Report is distributed by Associated British Ports Holdings Limited (“ABPH”) (as New Holdco Group Agent) on behalf of ABPA Holdings Limited (“ABPAH”), ABP Acquisitions UK Limited (“ABPA”) and Associated British Ports (“ABP”) (together the “Covenantors”) pursuant to the Common Terms Agreement dated 14 December 2011 and as amended from time to time (the “CTA”).

This Investor Report contains certain forward looking statements that reflect the current judgment of the management of the Covenantors regarding conditions that it expects to exist in the future. Forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future and, accordingly, are not guarantees of future performance. Management’s assumptions rely on its operational analysis and expectations for the operating performance of each of the Covenantors’ assets based on their historical operating performance and management expectations as described herein. Factors beyond management’s control could cause events to differ from such assumptions and actual results to vary materially from the expectations discussed herein. Investors are cautioned that the assumptions and forecast information included herein are not fact and should not be relied upon as being necessarily indicative of future results and are cautioned not to place undue reliance on such assumptions and forecast information. It should also be noted that the information in this Investor Report has not been reviewed by the Covenantors' auditors.

Basis of preparation

This Investor Report is being distributed pursuant to the terms of the CTA, Schedule 2, Part 1. Unless otherwise specified this Investor Report comments on the historic financial performance of ABPAH and its subsidiaries (“New Holdco Group” or “Group”) for the year ending 31 December 2020. Defined terms used in this document have the same meanings as set out in the Master Definitions Agreement dated 14 December 2011 and as amended from time to time (the “MDA”) unless otherwise stated.

Contents

1. Group Highlights

Year ended 31 December	2020 £m	2019* £m	Change from 2019
Revenue	**565.2**	611.6	-7.6%
Operating costs (underlying)[1]	**(367.2)**	(365.7)	-0.4%
Other income	**3.9**	-	+100.0%
Underlying operating profit[2]	**201.9**	245.9	-17.9%
Consolidated EBITDA[3] pre exceptional costs	**292.8**	331.0	-11.5%
Consolidated EBITDA[3]	**288.8**	315.4	-8.4%
Consolidated EBITDA[3] margin pre exceptional costs	**51.8%**	54.1%	-2.3%
Cash generated by operations	**319.1**	295.1	+8.1%
Bulk cargo tonnage (mt)[4]	**49.3**	54.5	-9.5%
Unitised cargo (m units)[5]	**3.0**	3.5	-14.3%
Passenger volumes (000s)	**342.0**	2,940.0	-88.4%
Consolidated Net Borrowings[6]	**1,982.7**	2,182.0	-9.1%

[1]Operating costs include profit/loss on sale of fixed assets and exclude depreciation/amortisation/write off of fair value uplift of assets acquired in a business combination, impairment of fixed assets, increase/decrease in fair value of investment property, net unrealised gain/loss on fuel derivatives and exceptional items.

[2] Underlying operating profit is defined as operating profit before movement in fair value of investment properties, depreciation/amortisation/write off of fair value uplift of assets acquired in a business combination, impairment of fixed assets net unrealised gain/loss on fuel derivatives and exceptional items.

[3] Consolidated EBITDA (earnings before interest, tax, depreciation and amortisation and after excluding certain items) is calculated in accordance with the definitions set out in the MDA (details set out in section 2.3.5).

[4] Excluding volumes where the group generates conservancy income only.

[6] Volume presentation has been changed to align to management reporting. Unitised cargo is now shown as units rather than using a conversion to tonnes.

[5] Consolidated Net Borrowings (the nominal net debt for covenant purposes, excluding subordinated loans, accrued interest, deferred borrowing costs, foreign exchange gains and losses, cash deposits that are not held with an Acceptable Bank, restricted cash and the value of letters of credit for which ABP is held liable) is calculated in accordance with the definitions set out in the MDA (details set out in section 2.3.7).

*Comparatives have been restated to conform to current presentation.

Historic Covenanted Financial Ratios

At 31 December	2020	2019
Ratio of Adjusted Consolidated EBITDA to Net Interest Payable	**1.96x**	2.24x
Ratio of Consolidated Net Borrowings to Consolidated EBITDA*	**6.87x**	6.92x
*Ratio of Consolidated Net Borrowings to Consolidated EBITDA pre exceptional costs[7]	**6.77x**	6.59x

[7] Not a covenanted ratio

2. Business Update

2.1. Outlook

ABP continues to monitor the impact of the Covid-19 virus on its commercial and financial performance. There remains uncertainty over the UK's economic recovery and any potential downside scenarios could negatively impact ABP's existing and future customers. Based on currently available information, the ABP Group does not expect the impact of the virus to cause a breach of covenants or to otherwise threaten the viability of the ABP Group.

The EU-UK Trade and Cooperation Agreement which came into effect on 1 January 2021 has begun to bring clarity to the UK's future trade relationship with the EU. ABP is continuing to monitor the impact of the deal with respect to EU-UK trade flows through its ports.

2.2. Business Developments

In 2020, ABP began the delivery of its new strategy, which included the appointment of a number of sector experts to develop new business opportunities and the commencement of new capital projects. ABP is committed to keeping Britain trading by providing industry-leading port services and infrastructure that connects UK businesses, industry and manufacturers to markets in Europe and across the globe.

The recent Freeports policy announcement by the UK Government presents an opportunity to grow UK trade and exports by attracting further investment in the UK's thriving ports sector, helping to create jobs and boost manufacturing in port locations.

ABP will utilise its strong port locations to drive increased value for its customers, optimising its supply chain solutions in a safe and sustainable manner.

Immingham Bulk Terminal

In March 2020 the Jingye Group acquired the British Steel operations from the Official Receiver. In August 2020 ABP completed a long-term agreement with Jingye which returned the direct operation of the Immingahm Bulk Terminal to British Steel. This reduced ABP's revenue and direct operating costs and significantly reduced ABP's future capital investment requirements for this operation.

2.3. Performance of the Business

The following section should be read in conjunction with the consolidated audited Annual Report and Accounts of ABPAH, which are available from the Investor Relations section of the group's corporate website (www.abpinvestor-relations.co.uk).

The table below summarises the consolidated results for the period ended 31 December 2020:

Income statement	2020 £m	2019* £m	Change from 2019
Revenue	**565.2**	611.6	-7.6%
Operating costs (underlying)	**(367.2)**	(365.7)	-0.4%
Other income	**3.9**	-	+100.0%
Underlying operating profit	**201.9**	245.9	-17.9%
Depreciation and amortisation of fair value uplift of assets acquired in a business combination	**(14.7)**	(16.8)	+12.5%
Write off of customer intangibles acquired in a business combination	**(15.2)**	(3.9)	-289.7%
Impairment of fixed assets	**(0.7)**	(72.3)	+99.0%
Increase/(decrease) in fair value of investment properties	**(13.3)**	35.6	-137.4%
Net unrealised loss on fuel derivatives	**(1.4)**	-	-
Exceptional costs	**(4.0)**	(15.6)	+74.4%
Group operating profit	**152.6**	172.9	-11.7%
Net finance costs	**(536.6)**	(495.7)	-8.3%
Loss before taxation	**(384.0)**	(322.8)	-19.0%
Taxation credit	**22.2**	22.2	-
Loss for the period	**(361.8)**	(300.6)	-20.4%
Cash generated by operations	**319.1**	295.1	+8.1%
Capital expenditure – cash	**130.6**	171.8	+24.0%

*Comparatives have been restated to conform to current presentation.

2.3.1. Volumes and Revenues

Bulk cargo tonnage handled by the group's ports (excluding Southampton conservancy only volumes) decreased by 9.5% to 49.3m tonnes in 2020 (2019: 54.5m tonnes) and unitised cargo decreased by 14.3% to 3.0m units (2019: 3.5m units) due to weak trading conditions as a result of the Covid-19 pandemic and uncertainties relating to Brexit.

Group revenue decreased by 7.6% to £565.2m (2019: £611.6m) primarily driven by a sharp decline in Cruise activity by 55.4% to £12.7m (2019: £28.5m) and Automotive down 5.0% to £43.5m (2019: £45.8m), partly offset by an increase in biomass revenue due to higher Drax biomass volumes at Immingham.

2.3.2. Operating Costs

Ports and transport operating costs increased by 0.4% to £367.2m (2019: £365.7m), with lower costs more than offset by precautionary general bad debt provisions of £8.0m and a £4.8m provision for maintenance works. After stripping out the impact of these provisions the operating costs decreased by 3.1% vs prior year. Labour costs which include the staff costs of the group's operational, engineering, pilotage, administrative and management departments and third party staff decreased by 5.0% to £165.7m (2019: £174.4m) mostly because of lower 3rd Party labour due to the reduced activity as a result of the Covid-19 pandemic and reduced staff numbers. Other notable favourable variances to prior year; lower fuel cost (+£2.9m) due to reduced activity across the group, demurrage (+£1.1m) mostly due to unusually higher costs in 2019 as a result of issues with the continuous ship unloader at IRFT on the Humber, short term lease and plant hire (+£1.2m) due to lower volumes and investment in PPE replacing plant hired in 2019, dredging (+£2.9m) as a result of reduced activity at Barrow and off Dock Haulage (+£1.6m) mostly due to lower Dowds volumes.

2.3.3. Other Income

Other income of £3.9m was recognised in 2020. This resulted from the release from deferred revenue of capital related grants following the accounting policy change and other grant income received from the UK Government.

2.3.4. Other Profit and Loss Items

- **Depreciation and amortisation of fair value uplift of assets acquired in a business combination:** the amounts include adjustments for the fair value uplifts recorded in 2006 when Associated British Ports Holdings Limited was acquired by ABP Acquisitions UK Limited.
- **Movement in fair value of investment properties**: the decrease in fair value of investment properties of £13.3m (2019: increase £35.6m) was largely driven by P&O ferries who have surrendered part of their footprint in Hull and entered into a new commercial agreement over the remaining property. There were also reductions in forecast level or quality of future earnings at several key properties at a number of ports. These decreases in fair value in the income statement have been partially offset by the gain in the Humber from re-letting Immingham Bulk Terminal to British Steel and DP World Southampton because of a strengthened yield to reflect the tenant's commitment to the port, demonstrated by their significant capital expenditure at the terminal.
- **Net unrealised (loss)/gain on fuel derivatives**: the group has entered into fuel derivatives to hedge the cost of its fuel used principally to power its fleet of dredgers and support vessels. The net unrealised loss in the valuation of fuel derivatives in 2020 was £1.4m (2019: £nil) and resulted from the Covid-19 related sharp drop in the price of diesel.
- **Exceptional costs:** the exceptional cost of £4.0m (2019: £15.6m) within operating profit principally relates to restructuring costs incurred as part of the group's change programme to improve productivity, and, in 2019 in addition to a bad debt charge from a significant customer entering insolvency.
- **Net finance costs:** net finance costs amounted to £536.6m (2019 £495.7m) and included: interest costs of £93.7m (2019: £97.0m) in relation to the group's external senior secured debt; interest payable of £266.2m (2019: £251.9m) in relation to the fully subordinated and unsecured loans from the company's immediate parent undertaking ABP MidCo UK Limited; an unrealised loss of £135.4m (2019: £124.0m) in relation to swaps held to hedge the group's exposure to interest and foreign currency exchange rate movements; and net exchange gains in relation to the translation of loans denominated in foreign currencies of £8.7m (2019: £20.0m).

The table below summarises the reconciliation between net finance costs and Net Interest Payable as defined for covenant purposes:

Net Interest Payable	**2020 £m**	2019 £m
Net finance costs	**536.6**	495.7
Adjusted for:		
Amortised costs	**(1.9)**	(2.0)
Net interest payable on loans from parent undertaking	**(260.7)**	(242.1)
Net unrealised gain/(loss) on derivatives at fair value through profit and loss	**(135.4)**	(124.0)
Non-cash finance costs in relation to pension scheme assets and liabilities	**(0.6)**	(0.4)
Non-cash finance costs in relation to discounted assets and liabilities	**(0.3)**	(0.6)
Net foreign exchange (loss)/gain	**8.7**	20.0
Net Interest Payable	**146.4**	146.6

- **Taxation:** The overall net tax for the period ended 31 December 2020 amounted to a credit of £22.2m (2019: £22.2m credit). This reflected a deferred tax credit of £24.2m (2019: £9.5m credit) and a current tax charge of £2.0m (2019: £12.7m credit).

2.3.5. Reconciliation between Operating Profit and Consolidated EBITDA

Consolidated EBITDA	**2020 £m**	**2019 £m**
Operating Profit	**152.6**	172.9
Amortisation	**17.6**	23.1
Depreciation	**87.6**	83.7
Impairment of property plant and equipment	**-**	1.6
Impairment of intangible assets	**0.7**	70.7
(Increase)/decrease in fair value of investment properties	**13.3**	(35.6)
Net unrealised foreign exchange loss/(gain)	**(0.2)**	-
Net unrealised loss/(gain) on fuel derivatives	**1.4**	-
(Profit)/loss on write off of intangibles and disposal of property, plant and equipment and investment property	**15.8**	(1.0)
Consolidated EBITDA	**288.8**	315.4
Exceptional items	**4.0**	15.6
Consolidated EBITDA pre exceptional costs	**292.8**	331.0

2.3.6. Completed and Ongoing Major Investments

The group continues to make new investments which have the potential to contribute significant growth during the coming years. Further information on ABP's recent major investments are set out below.

Humber Container Terminals

ABP operates two major container terminals on opposite sides of the Humber estuary, at Hull and Immingham. ABP continued its investment programme to increase the combined capacity of the Humber container terminals from 295,000 units per annum to over 500,000 units per annum. The investment allows ABP to handle significant expansion of customer volumes. The second phase of the investment completed this year at the container terminal in the Port of Immingham increasing storage space, improving the layout and adding new equipment including purpose-built cranes.

Immingham Renewable Fuels Terminal

A new facility with additional storage was built for Drax in a £21m investment to develop blending and storage capacity, allowing Drax to utilise alternative viable fuels that can be blended with wood pellets. The investment involved conversion of an existing shed from agri-bulks to biomass, expansion of the lorry load-in facility and adding additional operational equipment, as well as replacement warehousing to maintain current and forecasted volume growth. The first phase went live in December 2020 and the facility is expected to be fully operational from the second quarter of 2021.

Southampton Ocean Cruise Terminal

The second phase of work to upgrade Ocean Cruise Terminal at the Port of Southampton was completed in January 2020. This work included the installation of two new airbridges and the installation of a further 2,000 roof-mounted solar panels. This £12m investment accommodates the next generation of larger cruise ships enabling Southampton to be the homeport for Iona, the first of two new ships of the XL class for P&O Cruises and the first British cruise ships to be powered by Liquefied Natural Gas.

Southampton 5th Cruise Terminal

In 2020, ABP started construction of its fifth dedicated cruise terminal in an investment of £55 million, strengthening Southampton's position as Europe's leading cruise turn-around port and the UK's number one departure port. The new terminal will benefit from roof-mounted solar power and will have shore power connectivity installed. This further commitment to sustainable operations at the port will enable cruise ships, with the right onboard technology, to 'plug in' while they are alongside.

The new cruise terminal is a large open access facility, designed to support operations by a number of cruise operators. The port already has terminals designed to support the world's two biggest cruise lines. The new terminal will support the long term growth aspirations of both MSC and NCL (the world's third and fourth largest) through long term partnership agreements.

The new terminal received support from the Solent Local Enterprise Partnership (LEP) through the Government's Getting Building Fund with an £8 million grant. The terminal is expected to complete in the summer of 2021.

Sustainable Investment

As the leading port operator in the UK, ABP's goal is to be at the centre of clean growth by transforming our ports and terminals into low carbon, resilient hubs, which can help build sustainable supply chains for our customers. ABP is well placed in this transition to deliver on the Government's agenda to level up and de-carbonise the UK economy in support of the UN Sustainable Development Goals.

ABP is working closely with partners across the industry to drive policies and actions for a sustainable future. ABP is a member of Zero Carbon Humber, a consortium of leading energy and industrial companies and academic institutions with a shared vision to transform the Humber region into the UK's first net-zero carbon cluster by 2040. Zero Carbon Humber are working to deliver low carbon hydrogen production facilities and carbon capture usage and storage facilities together with region-wide infrastructure that will enable large-scale decarbonisation.

Since 2011, ABP has invested over £50 million in green technologies, including renewable energy generation, pilot vessels designed to reduce fuel use, high efficiency transformers and new LED high-mast lighting across its estates.

In recent years the group's ports have increasingly supported the offshore wind industry through the provision of port facilities for construction, and operation and maintenance of offshore wind related infrastructure. Many of the group's ports are in close proximity to existing and planned offshore wind development zones, in particular those in the North and Irish Seas. The group continues to work with the offshore wind supply chain to cater for their growing needs, which may provide future opportunities for investment in new port infrastructure.

2.3.7. Consolidated Net Borrowings

Consolidated Net Borrowings as defined for covenant purposes decreased by £199.3m to £1,982.7m (December 2019: £2,182.0m).

Consolidated Net Borrowings	**Due date**	**2020 £m**	2019 £m
Term and revolving facilities	2022 – 2029	**209.0**	244.0
Private placements – GBP floating rate	2024 – 2033	**460.0**	460.0
Private placements – GBP fixed rate	2023 – 2035	**365.0**	365.0
Private placements – USD fixed rate	2022 – 2029	**285.9**	285.9
Public loans – GBP & USD floating rate	2021 – 2033	**183.6**	183.6
Public loans – GBP & EUR fixed rate	2023 – 2042	**668.6**	668.6
Finance leases		**10.1**	11.5
Net cash (including restricted cash)		**(210.3)**	(38.3)
Net Borrowings		**1,971.9**	2,180.3
Restricted cash		**9.4**	0.6
Letters of credit		**1.4**	1.1
Consolidated Net Borrowings		**1,982.7**	2,182.0

2.4. Significant Announcements/Publications

Details of the group's ultimate controlling parties can be found in note 30 of the 2020 Annual Report and Accounts of ABPA Holdings Limited.

Other than as disclosed above and on the Investor Relations section of the group's corporate website (www.abports.co.uk), there have been no significant announcements or publications by or relating to the ABPAH Group.

2.5. Significant Board/Management Changes

The following Board changes took place during the year and up to 28 April 2021:

(i) Associated British Ports Holdings Limited:

Bugeja, LE	(appointed 25 November 2020)	
Coghlan, JB	(resigned 31 May 2020)	
Drissi Kaitouni, H	(resigned 30 April 2020)	
Pestrak, GS	(appointed 25 November 2020)	
Sochocki, PL	(appointed 30 April 2020 and resigned 25 November 2020)	
Wall, RBP	(appointed 17 September 2020 and resigned 16 October 2020)	
Burganov, K	(alternate to HM Newell and AJ Quinlan)	(appointed 10 March 2021)
Butcher, PG	(alternate to LE Bugeja)	(appointed 25 November 2020)
Butcher, PG	(alternate to RBP Wall)	(appointed 17 September 2020, appointment ceased on 16 October 2020 on resignation of RBP Wall)
Paris, J-FM	(alternate to GS Pestrak)	(appointed 25 November 2020)
Pestrak, GS	(alternate to H Drissi Kaitouni)	(appointment ceased on 30 April 2020 on resignation of H Drisi Kaitouni
Pestrak, GS	(alternate to PL Sochocki)	(appointed 30 April 2020, appointment ceased on 25 November 2020 on resignation of PL Sochocki)
Yashnikov, D	(alternate to R Barr, E Machiels and P Maheshwari)	(resigned 1 April 2021)

N.B. J Rishton has also resigned with effect from 30 April 2021

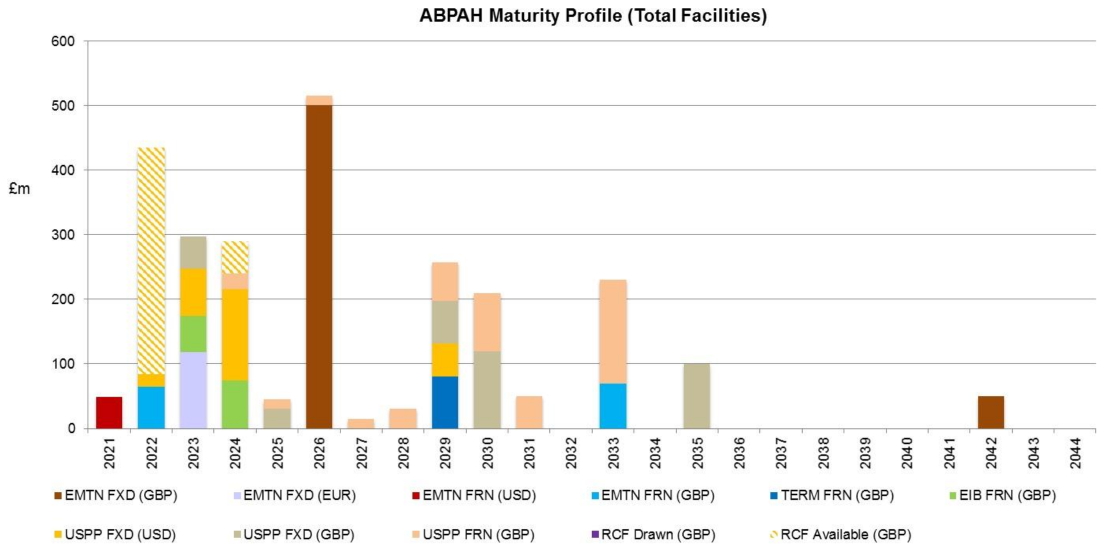
(ii) ABPA Holdings Limited:

Bugeja, LE	(appointed 25 November 2020)	
Coghlan, JB	(resigned 31 May 2020)	
Drissi Kaitouni, H	(resigned 30 April 2020)	
Pestrak, GS	(appointed 25 November 2020)	
Sochocki, PL	(appointed 30 April 2020 and resigned 25 November 2020)	
Wall, RBP	(appointed 17 September 2020 and resigned 16 October 2020)	
Burganov, K	(alternate to HM Newell and AJ Quinlan)	(appointed 10 March 2021)
Butcher, PG	(alternate to LE Bugeja)	(appointed 25 November 2020)
Butcher, PG	(alternate to RBP Wall)	(appointed 17 September 2020, appointment ceased on 16 October 2020 on resignation of RBP Wall)
Paris, J-FM	(alternate to GS Pestrak)	(appointed 25 November 2020)
Pestrak, GS	(alternate to H Drissi Kaitouni)	(appointment ceased on 30 April 2020 on resignation of H Drisi Kaitouni)
Pestrak, GS	(alternate to PL Sochocki)	(appointed 30 April 2020, appointment ceased on 25 November 2020 on resignation of PL Sochocki)
Yashnikov, D	(alternate to R Barr, E Machiels and P Maheshwari)	(resigned 1 April 2021)

N.B. J Rishton has also resigned with effect from 30 April 2021

3. Financing and Hedging Position

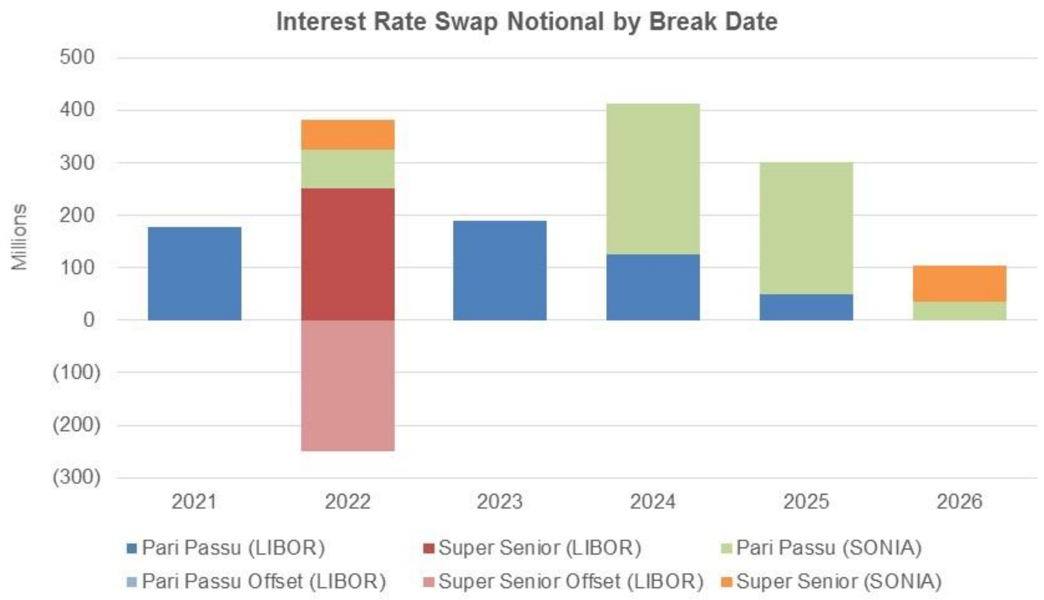
The debt service liquidity facilities were renewed in August 2020 and remain at a total of £165.0m. The chart below shows the profile of the group's externally sourced debt facilities (excluding the liquidity facilities) as at 31 December 2020:



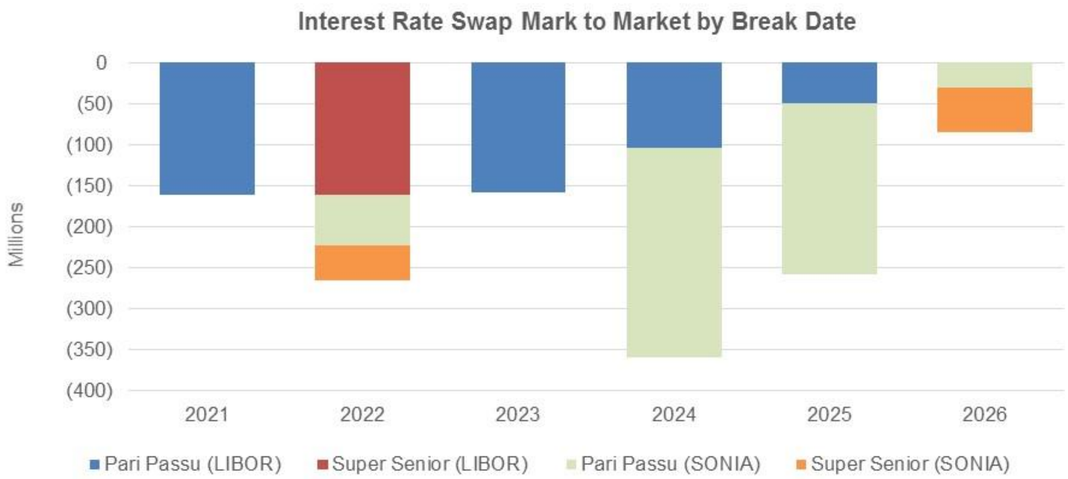
As at 31 December 2020, the group's Hedge Ratio in accordance with the Common Terms Agreement Interest Rate Risk Principles was 103%. The hedging position remains compliant with the group's hedging policy of maintaining between 75% and 110% of senior debt fixed, or effectively bearing a fixed rate, for a minimum seven-year period.

ABP has significant exposure to GBP LIBOR across a range of instruments and through the Working Group on Sterling Risk-Free Reference Rates is taking an active role in the ongoing interest rate benchmark reform work that aims to coordinate a transition towards SONIA as an alternative to LIBOR. ABP Finance plc and ABP Acquisitions UK Ltd have continued to transition financial instruments from LIBOR to SONIA.

The following charts show the profiles for interest rate swaps with mandatory breaks. This shows the notional and mark to market of the swaps as at 31 December 2020. LIBOR and SONIA linked interest rate swap positions are shown separately.



The negative notional amount above shows offsetting interest rate swap positions.



During 2020, certain interest rate swaps had mandatory breaks entirely removed and these no longer appear in the above charts. Since the year end, restructuring transactions completed in relation to the swaps with mandatory breaks in December 2021. These interest rate swaps have also had the mandatory breaks removed.

4. Restricted Payments

The group's distribution policy is to maintain a leverage ratio in the medium term at or close to 6.75 times EBITDA, to provide headroom broadly equivalent to 10% of EBITDA to the Trigger Event level. Due to the impact of Covid-19, leverage was forecast to increase above planned levels. The decision was taken to raise new debt at a MidCo company above the ABPAH Group. The new funds were passed down to the ABPAH Group in order to reduce leverage back towards the stated target of 6.75x and retain the ability to invest in growth opportunities that will lead to increased value in the longer-term.

Since the last investor report, a further £2.5m Restricted Payment was made in cash from the ring-fenced group to ABP Bonds UK Limited in order to fund the payment of an ABP Group tax liability. This Restricted Payment did not result in any distributions (e.g. loan interest, principal or dividends) or any other payment in cash or in kind to the ABP Group's ultimate shareholders.

5. Covenant Ratios and Compliance

At 31 December	2020 £m	2021* £m	2022* £m	2023* £m
Adjusted Consolidated EBITDA	286.8	298.3	316.9	333.1
Net Interest Payable	146.4	145.8	142.5	145.9
Ratio of Adjusted Consolidated EBITDA to Net Interest Payable	1.96x	2.05x	2.22x	2.28x
Consolidated Net Borrowings	1,982.7	2,070.6	2,222.5	2,371.0
Consolidated EBITDA	288.8	306.6	328.9	351.3
Ratio of Consolidated Net Borrowings to Consolidated EBITDA	6.87x	6.75x	6.76x	6.75x

* Forward-looking ratio calculations and projections are based on the most recent ITA Information provided to and certified by the Independent Technical Advisor.

We confirm that in respect of this investor report dated 31 December 2020, by reference to the most recent Financial Statements that we are obliged to deliver to you in accordance with Paragraph 1 (Financial Statements) of Part 1, (Information Covenants) of Schedule 2 (New Holdco Group Covenants) of the Common Terms Agreement:

(a) the Historic Adjusted Consolidated EBITDA is or is estimated to be equal to or more than 1.75 times Historic Net Interest Payable for the Relevant Calculation Period;

(b) the Projected Adjusted Consolidated EBITDA is or is estimated to be equal to or more than 1.75 times Projected Net Interest Payable for the Relevant Calculation Period;

(c) the ratio of Historic Consolidated Net Borrowings to Historic Consolidated EBITDA is or is estimated to be equal to or less than 7.50 as at the Relevant Calculation Date; and

(d) the ratio of Projected Consolidated Net Borrowings to Projected Consolidated EBITDA is or is estimated to be equal to or less than 7.50 as at the Relevant Calculation Date, (together the "Ratios").

We confirm that each of the above Ratios has been calculated in respect of the Relevant Calculation Period or as at the Relevant Calculation Date for which it is required to be calculated under the Common Terms Agreement.

We confirm that historic ratios have been calculated using, and are consistent and have been updated by reference to the most recently available financial information required to be provided by the Covenantors under Schedule 2 (New Holdco Group Covenants) of the Common Terms Agreement.

We confirm that all forward looking financial ratio calculations and projections:

(i) have been made on the basis of assumptions made in good faith and arrived at after due and careful consideration;

(ii) are consistent and updated by reference to the most recently available financial information required to be produced by the Covenantors under Schedule 2 (New Holdco Group Covenants) of the Common Terms Agreement; and

(iii) are consistent with the Accounting Standards (insofar as such Accounting Standards reasonably apply to such calculations and projections).

(iv) are based on the most recent ITA Information provided to and certified by the Independent Technical Advisor in accordance with Schedule 2 (New Holdco Group Covenants) of the Common Terms Agreement.

We also confirm that:

(a) no Default or Trigger Event has occurred and is continuing, or if a Default or Trigger Event has occurred and is continuing, steps (which shall be specified) are being taken to remedy such Default or Trigger Event;

(b) the New Holdco Group is in compliance with the Hedging Policy; and

(c) this Investor Report is accurate in all material respects;

Yours faithfully,

Marina Wyatt

Marina Wyatt
Chief Financial Officer
For and on behalf of
ABPH as New Holdco Group Agent