



BAA 





Debt Investor
Roadshow - Appendix
January 2006



BAA 

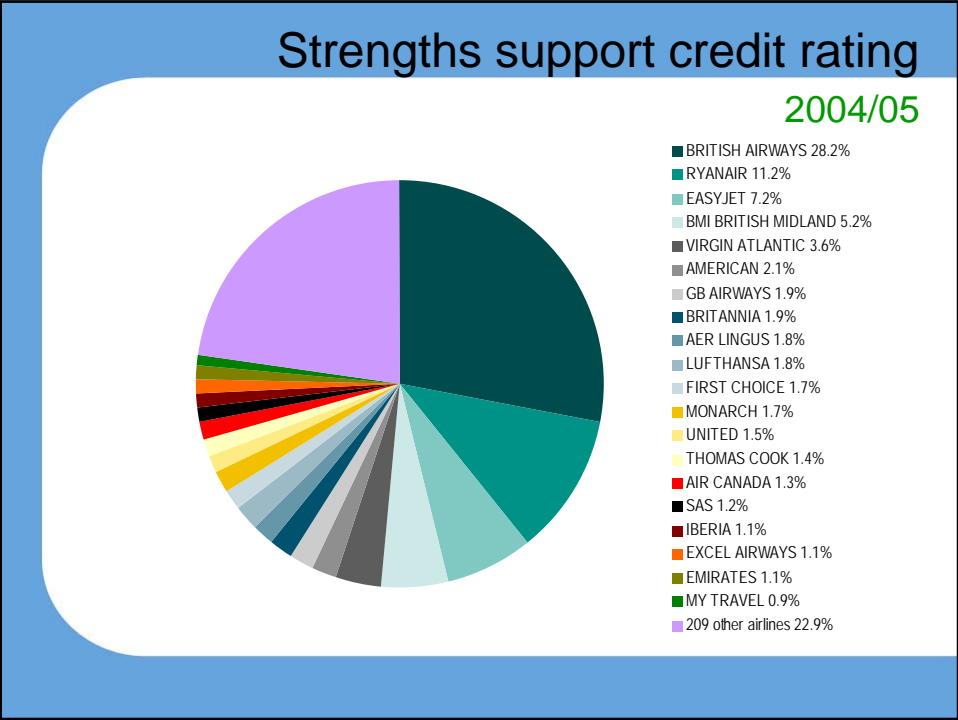




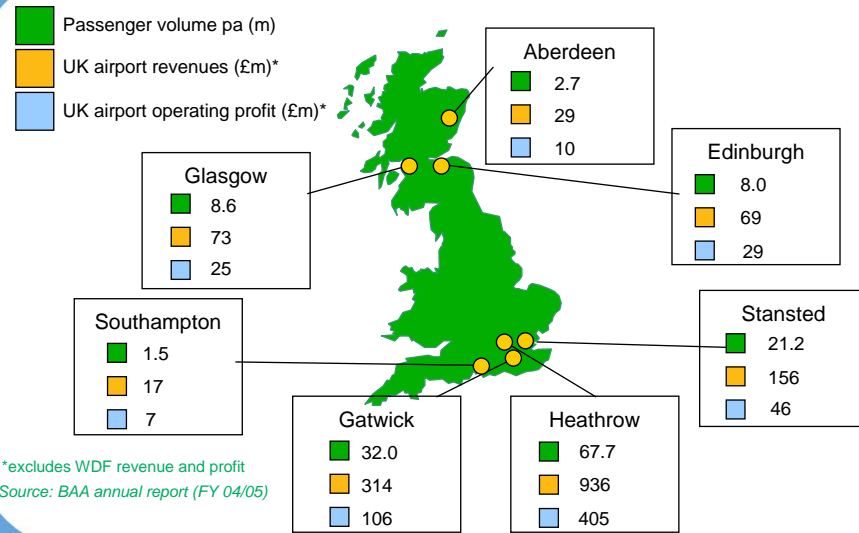
Debt Overview



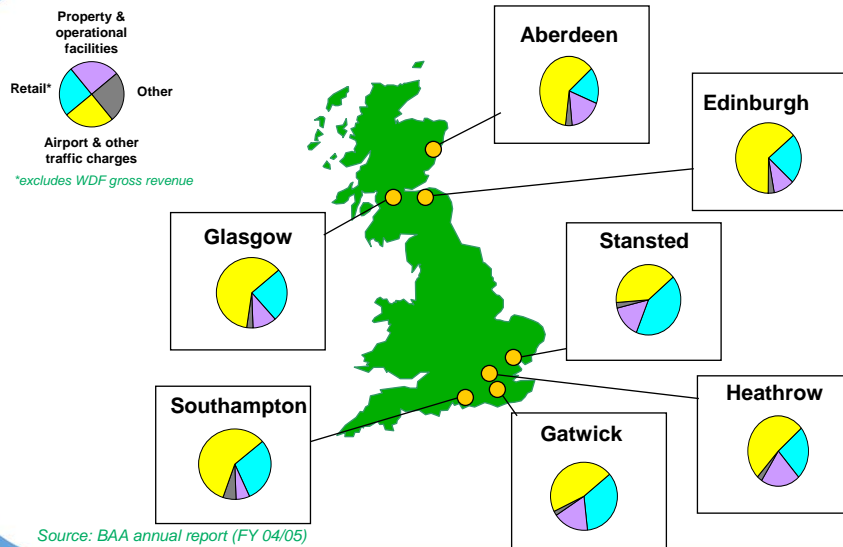

Core UK Business



Where do we operate in the UK?

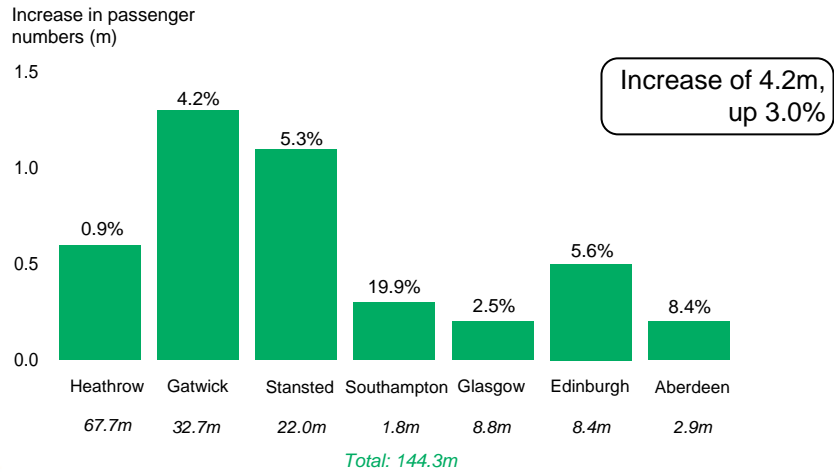


UK airport revenues



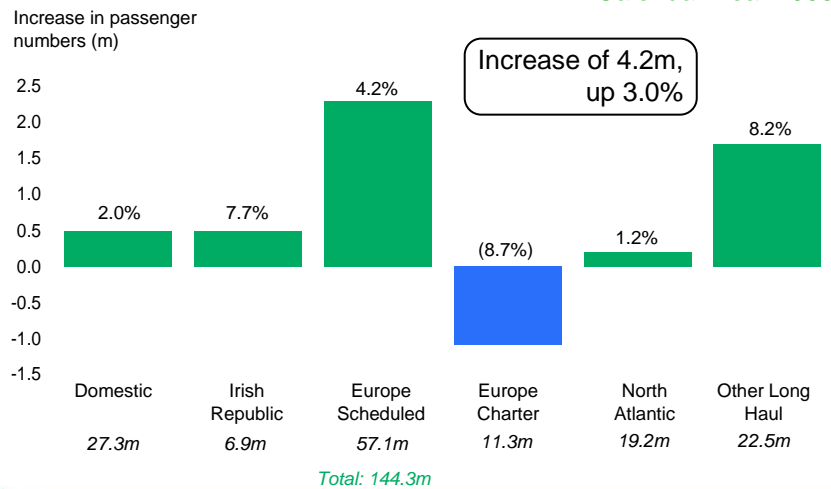
UK airports' passenger traffic

Growth by airport
Calendar Year 2005



UK airports' passenger traffic

Growth by market
Calendar Year 2005



Core South East airports

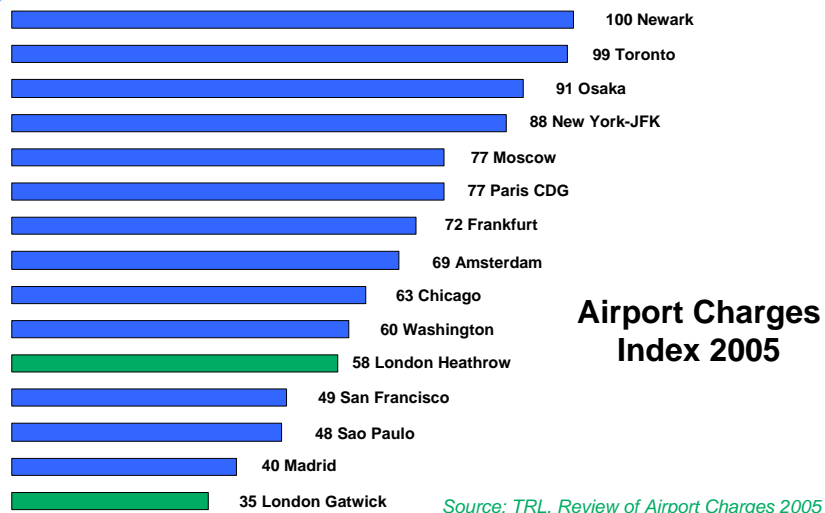
- London is the world's largest aviation city

	Passengers per annum*
■ London (LHR, LGW, STN)	122.1m
■ New York (JFK, LGA, EWR)	98.3m
■ Chicago (ORD, MDW)	94.3m
■ Paris (CDG, ORY)	77.7m

- Heathrow is the world's busiest international airport and the most profitable destination for airlines to fly to.

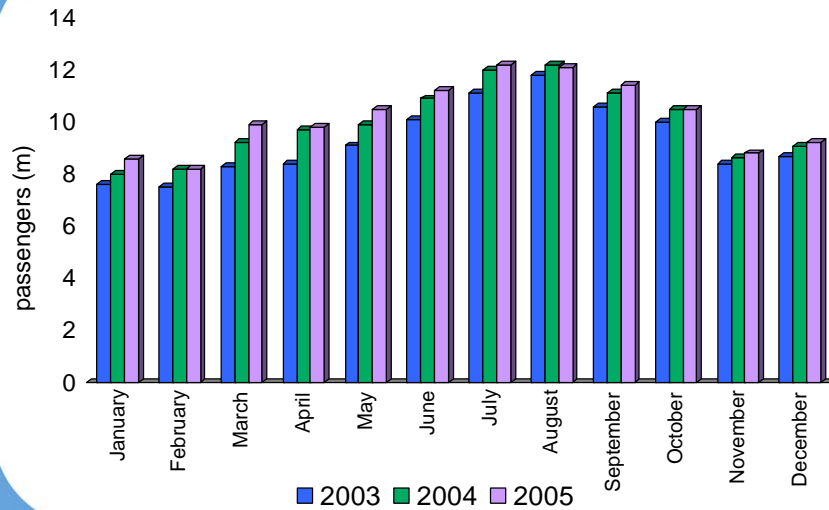
*Year ended 30 September 2005

Core South East airports - strong competitive position



Core South East airports - robust passenger growth

Year on year growth



Core South East airports - traffic diversification

Diversity of BAA's London Air Traffic (12 Months Ended March 2005)

Passenger Type Route Area	UK RESIDENT		OVERSEAS RESIDENT		Total
	Business	Leisure	Business	Leisure	
	%	%	%	%	%
Domestic	4	5	1	1	11
Irish Republic	1	2	1	2	6
EU Europe	5	19	6	12	42
Rest of Europe	1	2	1	2	6
Asia/Pacific	1	3	1	3	8
N. America	1	5	2	7	15
Rest of World	1	6	2	4	12
Total	14	42	13	30	100

■ South East Airports' traffic base consists of a broad portfolio of routes, airlines and passenger types, which makes for durability

T5 programme – key milestones

2003	Earthworks complete
2004	First 4 stands operational* (year ahead of schedule) Rivers diverted* (11 months ahead of schedule) Fuel Farm Relocated
2005	Control Tower handed over* M25 spur and widening finished
2006	Terminal weathertight* Satellite weathertight* Commissioning begins: Tracked Transit Rail Baggage
2007	Terminal handed over for operational readiness and commissioning
SPRING 2008	All systems ready

* *Regulatory milestone*



BAA 

International Business

International

■ Australia

- Melbourne	19.8% equity stake in APAC	50-year lease from 1997 ¹
- Launceston	19.8% equity stake in APAC	50-year lease from 1997 ¹
- Perth	15% equity interest in WAC	50-year lease from 1997 ¹
- Darwin	10% equity stake in ADG	50-year lease from 1998 ¹
- Alice Springs	10% equity stake in ADG	50-year lease from 1998 ¹
- Tennant Creek	10% equity stake in ADG	50-year lease from 1998 ¹

■ Europe

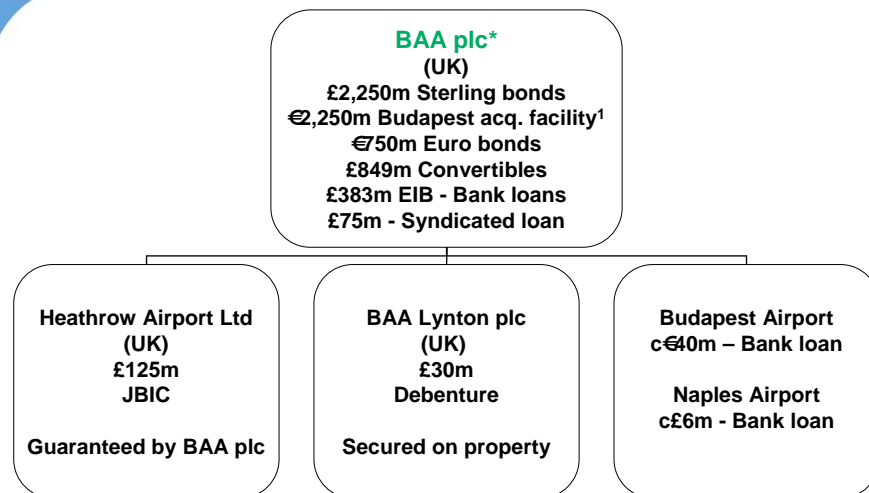
- Budapest	75% -1 equity stake	75-year total airport management from 2005
- Naples	65% equity stake	40-year total airport management from 1997

■ USA

- Indianapolis	Airport manager	13-year management from 1995
- Boston	Retail developer/manager	10-year retail management from 2002
- Pittsburgh	Retail developer/manager	25-year retail management from 1992
- Baltimore	Retail developer/manager	10-year retail management from 2006 ²

¹ Plus option to extend contract for a further 49 years
² Interim contract from May 2004

Debt overview



* No other material debt at subsidiary level except operational balances

¹ £1.3 billion drawn in sterling



Funding

Net debt analysis

	30 Sept 2005 £m	31 March 2005 £m	30 Sept 2004 £m
Bonds (sterling and Euro)	2,770	2,768	2,764
Convertible bonds (sterling)	820	806	795
Debenture	<u>30</u>	<u>30</u>	<u>30</u>
	3,620	3,604	3,589
Bank borrowings ¹	<u>590</u>	<u>670</u>	<u>636</u>
Gross debt	4,210	4,274	4,225
Cash and short term investments	(667)	(1,210)	(1,059)
Net debt	3,543	3,064	3,166

¹ Including syndicated, EIB and JBIC facilities

Bond summary

Type	Amount (£m)	Interest Rate (%)	Maturity
Sterling	200	7.875	2007
Sterling	400	5.75	2013
Sterling	300	11.75	2016
Sterling	250	8.5	2021
Sterling	200	6.375	2028
Sterling	900	5.75	2031
	<u>2,250</u>		
Convertible	424	2.94	2008
Convertible	425	2.625	2009
	<u>849</u>		
	Amount (€m)		
Euro	750	4.5	2014

BAA credit challenges & mitigating actions

Risk factor	Mitigating actions
Capex programme overruns	<ul style="list-style-type: none"> – c. 70% discretionary spend – plan managed as portfolio of projects - flexibility – experienced at managing substantial capex programmes
Terminal 5	<ul style="list-style-type: none"> – over 70% complete, to budget and ahead of schedule
Increased gearing	<ul style="list-style-type: none"> – financial projections/ratios managed/monitored on regular basis
Capacity constraints	<ul style="list-style-type: none"> – ever improving effective/efficient use of infrastructure and facilities
Short term revenue shocks	<ul style="list-style-type: none"> – curtailment of discretionary capex programme and operating costs – UK population increasingly resilient (e.g., 07 July)
Q5 regulatory settlement	<ul style="list-style-type: none"> – extensive planning and consultation with key stakeholders to ensure BAA's strategy is reflected (constructive engagement)