

Schroder Investment Management Limited  
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**CONFIDENTIAL**

Otter Ports Limited  
6 St. Andrew Street  
London  
EC4A 3AE

and

J P Morgan Cazenove Limited  
125 London Wall  
London  
EC2Y 5AJ

21 March 2011

Dear Sirs

**Letter of Intent to Vote in relation to the Proposal**

1. In this letter and the schedule hereto:

"Associates"	means, in relation to Schroder Investment Management Limited: (i) any subsidiary or holding company of Schroder Investment Management Limited or any subsidiary of any such holding company (such terms being as defined in section 1159 of the Companies Act 2006; or (ii) any other entity controlling or controlled by Schroder Investment Management Limited;
"City Code"	means The City Code on Takeovers and Mergers;
"Company"	means Forth Ports PLC;
"Court Meeting"	means the meeting to be convened by the Court of Session pursuant to section 896 of the Companies Act 2006, notice of which will be set out in the Scheme Document;
"GM"	means the extraordinary general meeting of the Company, notice of which will be set out in the Scheme Document;
"GM Date"	means a date before 13 May 2011;
"Offeror"	means Otter Ports Limited;
"Posting Deadline"	means 19 April 2011;
"Proposal"	means the proposed acquisition by the Offeror of the entire issued and to be issued ordinary share capital of the Company, to be effected by way of a scheme of arrangement pursuant to

	parts 26 and 27 of the Companies Act 2006 for a price of 1,630 pence per share and shareholders of the Company receiving a dividend of 20 pence per share;
"Proposed Announcement Date"	means 22 March 2011
"Public Announcement"	means the public announcement proposed to be made in respect of the Proposal, a draft of which (dated 21 March 2011) is attached to this letter;
"Resolution"	means each proposed resolution of the Company in relation to the Proposal set out in the notice of the GM;
"Scheme Document"	means the document setting out the details of the Proposal, proposed to be despatched in March or April 2011; and
"Shares"	means 4,623,066 in the issued share capital of the Company which are beneficially owned by clients of ours and/or our Associates. This definition shall include any other shares in the Company issued after the date of this letter and attributable to or derived from such Shares and held by such clients.

2. This letter is written in connection with the Proposal. The terms and conditions of the Proposal will be substantially as set out or referred to in the Public Announcement, together with such other terms and conditions as may be required by the City Code, and/or the requirements of the Financial Services Authority acting in its capacity as the UK Listing Authority; and/or The London Stock Exchange; and/or as are customarily included in offers made under the City Code.
3. We, Schroder Investment Management Limited, act on our own behalf and/or on behalf of our Associates as discretionary investment managers on behalf of clients who are the beneficial holders of the Shares.
4. We hereby express our intention, based on the information available to us at the date hereof and subject to law and regulation, that in respect of such of the Shares as are held on behalf of such clients, we and/or our Associates will, or will procure that the registered holders will, so far as reasonably practicable, vote in person or by representative or proxy at the Court Meeting and at the GM (and, where relevant, at any adjournment thereof), in respect of the Shares as follows:
  - (i) to approve the Proposal at the Court Meeting;
  - (ii) in favour of each Resolution set out in the notice of the GM; ,

provided that the resolutions proposed in the notice of the GM and each Resolution is consistent, in all material respects, with the Proposal set out in the draft Public Announcement provided to us.

5. We understand that it is the intention of the Company that the Public Announcement be published on the Proposed Announcement Date. In the event that the Public Announcement has not been published by 5 p.m. (London time) on the business day in London immediately following the Proposed Announcement Date, in substantially the form of the attached draft, this letter of intent shall automatically lapse and be of no further force or effect.
6. If by 5 p.m. (London time) on the Posting Deadline the Scheme Document has not been sent to shareholders in the Company, this letter of intent shall automatically lapse and be of no further force or effect.
7. If by 5 p.m. (London time) on the GM Date the Court Meeting and/or the GM shall not have taken place or the shareholders of the Company shall not have accepted the Proposal, this letter of intent shall automatically lapse and be of no further force or effect.
8. Notwithstanding anything contained in this letter, and subject to law and regulation, we and our Associates reserve and retain the right to transfer the Shares (or any of them) to any replacement fund manager or custodian nominated by our underlying client in circumstances where such underlying client has terminated our or our Associates' professional relationship in respect of the Shares or where the relationship continues but our client has changed the investment mandate that we have so that our or our Associates' holding the Shares is no longer consistent with the new mandate. In any such circumstances, the provisions of this letter of intent shall, in respect of the relevant Shares, automatically lapse and be of no further force or effect.
9. Notwithstanding anything contained in this letter, we and/or our Associates shall at all times reserve and retain the right to deal with the Shares in our absolute discretion or on the instructions of our clients or otherwise. Nothing in this letter is intended to, nor shall it, create any legal obligation or liability on us, our Associates or our clients. Furthermore, our or our Associates' intentions in respect of the Shares may change whether in the light of further information, changed circumstances or otherwise.
10. We acknowledge that you may disclose this non-binding indication of an intention to vote in favour of each Resolution in accordance with Rule 8.4 of the City Code and make reference in the Public Announcement and the Scheme Document to this non-binding indication of an intention to vote in favour of each Resolution, including details of our identity. We understand that if the Proposal proceeds, this letter will be made available for inspection in accordance with the requirements of the City Code.
11. Save as set out in paragraph 10 above, the giving and contents of this letter of intent are confidential and may not be disclosed to any third party, unless:
  - (i) the consent of both parties has been obtained;

- (ii) a party is required to do so by law or the rules of any regulatory body to which such party is obliged to adhere, in which case the party proposing to make such disclosure will, so far as reasonably practicable, consult with and take into account the reasonable requirements of the other as to the timing and content of any such disclosure; or
  - (iii) the information is disclosed to an agent or adviser of either party in connection with the Proposal and such party agrees to be bound by these confidentiality provisions.
12. The terms of this letter of intent shall be governed by and construed in accordance with English law.
13. This letter has been signed in duplicate on behalf of Schroder Investment Management Limited. Please acknowledge receipt of this letter and confirm your agreement to its terms by countersignature on behalf of the Offeror. One copy of the letter should then be returned to us.

Yours faithfully



**For and on behalf of Schroder Investment Management Limited**

We acknowledge receipt of this letter and confirm our agreement to its terms.

**For and on behalf of the Offeror**

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART,  
IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE  
A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION**

**For immediate release**

**22 March 2011**

**RECOMMENDED CASH OFFER**

**for**

**Forth Ports PLC (“Forth Ports”)**

**by**

**Otter Ports Limited (“Otter Ports”)**

**a newly-incorporated company wholly-owned by  
Arcus European Infrastructure Fund 1 L.P. (“Arcus”)**

**SUMMARY**

- Further to Forth Ports’ announcement on 7 March 2011 that it had received an approach from Arcus, the Boards of Otter Ports and Forth Ports are pleased to announce that they have reached agreement on the terms of a recommended cash offer (the “Offer”) to be made by Otter Ports to acquire the entire issued and to be issued share capital of Forth Ports.
- Under the terms of the Offer, Forth Ports Shareholders will be entitled to receive 1,630 pence in cash for each Forth Ports Share. In addition, Forth Ports Shareholders will be entitled to receive and retain the proposed final dividend of 20 pence per share expected to be paid on 13 May 2011 to Forth Ports Shareholders on the register at the close of business on 15 April 2011.
- The Offer, together with the proposed final dividend of 20 pence, values Forth Ports’ entire existing issued and to be issued share capital at approximately £760 million.
- Otter Ports is a newly-incorporated company, formed for the purpose of implementing the Offer, and is wholly-owned by Arcus.

- Arcus currently holds, in aggregate, approximately 22.8 per cent. of the existing issued share capital of Forth Ports.
- Forth Ports owns and operates eight UK commercial ports and associated land, including the Port of Tilbury (Gateway to London) and seven ports on Scotland's east coast, along the Forth Estuary and at Dundee. Forth Ports also operates a recycling business, Nordic, at Chatham in Kent, and Tilbury.
- The price of 1,630 pence together with the proposed final dividend of 20 pence equates to:
  - a premium of 14.3 per cent. to the closing price of 1,444 pence per Forth Ports Share on 21 February 2011, being the last trading day prior to press speculation regarding a possible offer for Forth Ports; and
  - a premium of 23.1 per cent to the average closing price of 1,340 pence per Forth Ports Share over the six months prior to and including 21 February 2011.
- It is intended that the Offer will be implemented by way of a Court-sanctioned Scheme of Arrangement under Part 26 of the Companies Act.
- In order to become effective, the Offer must, among other things, be approved by the requisite majorities of Forth Ports Shareholders present (in person or by proxy) and entitled to vote at the Court Meeting and the General Meeting. The detailed conditions and further terms of the Offer are set out in Appendix I to this announcement.
- Arcus has received irrevocable undertakings from the Directors of Forth Ports to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting in respect of their own beneficial holdings of Forth Ports Shares amounting, in aggregate, to 330,679 Forth Ports Shares representing 0.72 per cent. of the existing issued share capital of Forth Ports.
- Arcus has also received [letters of intent] from [ ] to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting in respect of, in aggregate, [ ] Forth Ports Shares representing approximately [ ] per cent. of the existing issued share capital of Forth Ports.
- The Forth Ports Directors, who have been so advised by Commerzbank and Gleacher Shacklock, consider the terms of the Offer to be fair and reasonable for Forth Ports and Forth Ports Shareholders. In providing their advice, Commerzbank and Gleacher Shacklock have taken into account the commercial assessments of the Forth Ports Directors. In addition, the Forth Ports Directors consider the terms of the Offer to be in the best interests of Forth Ports Shareholders as a whole. Accordingly, the Forth Ports Directors intend unanimously to

recommend Forth Ports Shareholders to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting as they have irrevocably undertaken to do in respect of their own beneficial holdings of Forth Ports Shares.

- Commenting on the Offer, David Richardson, the Chairman of Forth Ports, said:

“The Arcus offer gives Forth Ports Shareholders the opportunity to realise their investment for cash at a fair price. It is also pleasing that this successful Scottish company will continue to be run from Scotland. Forth Ports is proud of its record and I am confident that the Company and its employees can continue to thrive under committed private ownership.”

- Commenting on the Offer, Simon Gray, Partner of Arcus, said:

“Arcus is delighted to announce today's formal offer for Forth Ports. It is a strong Scottish company with high quality infrastructure assets and a robust business model, which we plan to invest in and grow. It is a welcome addition to our portfolio of compelling European infrastructure investments. Arcus is committed to maintaining Forth Ports' position as a key UK port operator headquartered in Scotland and to working with its customers, employees and management to continue the success of the Company.”

*This summary should be read in conjunction with the full text of this announcement (including the appendices). The Offer will be made on the terms and subject to the conditions and further terms set out in Appendix I to this announcement and the further terms and conditions set out in the Scheme Document and Forms of Proxy when issued. The bases and sources of certain financial information contained in this announcement are set out in Appendix II to this announcement. A summary of the irrevocable undertakings given by the Forth Ports Directors [and letters of intent] received from certain Forth Ports Shareholders is contained in Appendix III to this announcement. Certain terms used in this announcement are defined in Appendix IV to this announcement.*

#### Enquiries

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*J.P. Morgan plc, which conducts its UK investment banking business as J.P. Morgan Cazenove and is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Arcus and Otter Ports and for no one else in connection with the Offer or any other matter set out in this announcement and will not be responsible to anyone other than Arcus or Otter Ports for providing the protections afforded to clients of J.P. Morgan plc or for providing advice in relation to the Offer or any other matter set out in this announcement or any offer or arrangements referred to herein or in the Scheme Document.*

*Commerzbank AG London Branch ("Commerzbank") is authorised by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), the German Federal Financial Supervisory Authority, and*

*authorised and subject to limited regulation by the Financial Services Authority. Commerzbank is acting exclusively for Forth Ports in relation to the matters set out in this announcement and is not advising any other person and will not be responsible to anyone other than Forth Ports for providing the protections afforded to customers of Commerzbank or for providing advice in relation to matters set out in this announcement or any offer or arrangements referred to herein or in the Scheme Document.*

*Gleacher Shacklock LLP ("Gleacher Shacklock"), which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Forth Ports and no one else in connection with the matters set out in this announcement, and will not be responsible to anyone other than Forth Ports for providing the protections afforded to clients of Gleacher Shacklock or for providing advice in relation to matters set out in this announcement or any offer or arrangements referred to herein or in the Scheme Document.*

*Investec Bank plc, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Forth Ports and no one else in connection with the matters set out in this announcement, and will not be responsible to anyone other than Forth Ports for providing the protections afforded to clients of Investec Bank plc or for providing advice in relation to matters set out in this announcement or any matter referred to herein or the Scheme Document.*

#### ***Further information***

*This announcement is for information purposes only and is not intended to, and does not constitute, or form part of, an offer to sell or any invitation to purchase or subscribe for any securities or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Offer or otherwise. This announcement does not constitute a prospectus or a prospectus equivalent document. Forth Ports Shareholders are advised to read carefully the formal documentation in relation to the Offer once it has been despatched. The proposals for the Offer will be made solely through the Scheme Document, which will contain the full terms and conditions of the Scheme, including details of how to vote with respect to the Scheme. Please carefully read the Scheme Document in its entirety before making a decision with respect to the Offer. Any acceptance or other response to the proposals should be made on the basis of the information in the Scheme Document. Forth Ports Shareholders may obtain a further free copy of the Scheme Document, when it becomes available, from Equiniti Limited, 1<sup>st</sup> Floor, 34 South Gyle Crescent, South Gyle Business Park, Edinburgh EH12 9EB.*

*This announcement has been prepared for the purposes of complying with Scots law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of a jurisdiction outside the United Kingdom.*

*Whether or not certain Forth Ports Shares are voted at the Court Meeting or the General Meeting, if the Scheme becomes effective, all Forth Ports Shares will be cancelled pursuant to the Scheme in return for the payment of 1,630 pence in cash per Forth Ports Share.*

***Disclosure requirements of the Takeover Code (the "Code")***

*Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number*

*of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.*

#### ***Overseas Shareholders***

*The release, distribution or publication of this announcement in jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about and observe any applicable requirements.*

*Unless otherwise determined by Otter Ports or required by the City Code, and permitted by applicable law and regulation, the Offer will not be made, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and the Offer will not be capable of acceptance from or within a Restricted Jurisdiction. Accordingly, copies of this announcement and all documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this announcement and all documents relating to the Offer (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions as doing so may invalidate any purported acceptance of the Offer.*

*The availability of the Offer to Forth Ports Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements. Further details in relation to overseas shareholders will be contained in the Scheme Document.*

*The Offer relates to the shares in a Scottish company and is proposed to be made by means of a scheme of arrangement provided for under company law of the United Kingdom. The scheme of arrangement will relate to the shares of a UK company that is a 'foreign private issuer' as defined under Rule 3b-4 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). A transaction effected by means of a scheme of arrangement is not subject to the proxy and tender offer rules under the Exchange Act. Accordingly, the Offer is subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements of the US proxy and tender offer rules. Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable in the UK that may not be comparable to the financial statements of US companies.*

*If Otter Ports exercises its right to implement the Offer by way of a Takeover Offer, the Offer will be made in compliance with applicable US laws and regulations, including applicable provisions of the tender offer rules under the Exchange Act.*

### ***Forward-Looking Statements***

*This announcement contains "forward-looking statements" concerning Forth Ports that are subject to risks and uncertainties. Information in this announcement relating to Forth Ports has been compiled from published sources. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Otter Ports', Arcus' and Forth Ports' ability to control or estimate precisely, such as future market conditions, changes in regulatory environment and the behaviour of other market participants. Otter Ports, Arcus and Forth Ports cannot give any assurance that such forward-looking statements will prove to have been correct. The reader is cautioned not to place undue reliance on these forward looking statements, which speak only as of the date of this document. Otter Ports, Arcus and Forth Ports do not undertake any obligation to update or revise publicly any of the forward-looking statements set out herein, whether as a result of new information, future events or otherwise, except to the extent legally required.*

### ***Publication on websites***

*A copy of this announcement is and will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on Arcus' website at [www.arcusip.com](http://www.arcusip.com) and on Forth Ports' website at [www.forthports.co.uk](http://www.forthports.co.uk), during the course of the Offer.*

*You may request a hard copy of this announcement free of charge by contacting Equiniti Limited, 1<sup>st</sup> Floor, 34 South Gyle Crescent, South Gyle Business Park, Edinburgh EH12 9EB on [to be confirmed Monday am]. You may also request that all future documents, announcements and information to be sent to you in relation to the Offer should be in hard copy form.*

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A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION**

**For immediate release**

**22 March 2011**

**RECOMMENDED CASH OFFER**

**for**

**Forth Ports PLC (“Forth Ports”)**

**by**

**Otter Ports Limited (“Otter Ports”)**

**a newly-incorporated company wholly-owned by  
Arcus European Infrastructure Fund 1 L.P. (“Arcus”)**

**1. Introduction**

Further to Forth Ports’ announcement on 7 March 2011 that it had received an approach from Arcus, the Boards of Otter Ports and Forth Ports are pleased to announce that they have reached agreement on the terms of a recommended cash offer (the “Offer”) to be made by Otter Ports to acquire the entire issued and to be issued share capital of Forth Ports.

Otter Ports is a newly-incorporated company, formed for the purpose of implementing the Offer and is wholly-owned by Arcus. Arcus currently holds, in aggregate, approximately 22.8% per cent. of the existing issued ordinary share capital of Forth Ports.

Forth Ports owns and operates eight UK commercial ports and associated land, including the Port of Tilbury (Gateway to London) and seven ports on Scotland’s east coast, along the Forth Estuary and at Dundee. Forth Ports also operates a recycling business, Nordic, at Chatham, in Kent, and Tilbury.

**2. The Offer**

The Offer will be made on the following basis:

**for each Forth Ports ordinary share held**

**1,630 pence in cash**

Forth Ports Shareholders will also be entitled to receive and retain the proposed final dividend of 20 pence per share relating to the financial year ended 31 December 2010, which is payable on 13 May 2011 to Forth Ports Shareholders on the register at the close of business on 15 April 2011.

On this basis, the Offer, together with the proposed final dividend of 20 pence, values the entire existing issued and to be issued share capital of Forth Ports at approximately £760 million and equates to:

- a premium of 14.3 per cent. to the closing price of 1,444 pence per Forth Ports Share on 21 February 2011, being the last trading day prior to press speculation regarding a possible offer for Forth Ports; and
- a premium of 23.1 per cent to the average closing price of 1,340 pence per Forth Ports Share over the six months prior to and including 21 February 2011.

### **3. Background to and reasons for the Offer**

Arcus has been a supportive shareholder in Forth Ports since January 2008 and has a detailed understanding of Forth Ports' assets and business model as well as the wider ports sector, both in the UK and elsewhere in Europe. The proposed acquisition of Forth Ports will represent a substantial and attractive addition to Arcus' existing portfolio of infrastructure investments.

Arcus believes the next stage of Forth Ports' development can be achieved more effectively under private ownership and has a clear vision for the future of Forth Ports' business. Arcus intends to support and grow the core ports business of Forth Ports, maintaining its headquarters in Scotland and working with its customers, employees and management to continue the success of the Company.

### **4. Recommendation**

The Forth Ports Directors, who have been so advised by Commerzbank and Gleacher Shacklock, consider the terms of the Offer to be fair and reasonable for Forth Ports and Forth Ports Shareholders. In providing their advice, Commerzbank and Gleacher Shacklock have taken into account the commercial assessments of the Forth Ports Directors. In addition, the Forth Ports Directors consider the terms of the Offer to be in the best interests of Forth Ports Shareholders as a whole.

Accordingly, the Forth Ports Directors intend unanimously to recommend to Forth Ports Shareholders to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting as they have irrevocably undertaken to do so in respect of their

own beneficial holdings of Forth Ports Shares (representing, as at the date of this announcement, in aggregate, approximately 0.72 per cent. of the existing issued share capital of Forth Ports).

## **5. Background to and reasons for the recommendation**

In March 2010, it was announced that a consortium of which Arcus was a member had made a proposal to Forth Ports. This proposal and further proposals made by the consortium did not result in a transaction and it was announced in May 2010 that the consortium did not intend to make an offer for Forth Ports.

Forth Ports has a thriving ports business with a strong and diversified customer base and attractive property assets and has been developing opportunities in the renewable energy sector which have the potential to create significant value.

Forth Ports achieved further progress in 2010, building on its resilient performance in 2009. The preliminary results for 2010, which were announced this morning, showed group revenue 5 per cent. higher at £181.9 million and underlying profit before tax 10 per cent. higher at £36.6 million. Underlying earnings per share were 5.5 per cent. higher at 59.3 pence. There was a 6.5 per cent. increase in the external valuation of its property development assets to £115.5 million and net debt (including Ocean Terminal debt) fell from £251.1 million at the beginning of the year to £231.5 million as at 31 December 2010. Shareholders' funds as at 31 December 2010 were £273.7 million.

In considering the approach from Otter Ports, the Forth Ports Directors took account of a wide range of factors, including the quality of earnings from Forth Ports' core ports business, the potential to make acquisitions where there are operating synergies, the current and potential future value of its property holdings and the value which can be created from its renewable energy businesses, including its offshore wind and biomass projects, which also have the potential to benefit its ports business. In relation to the property development assets and its initiatives relating to renewable energy, the Forth Ports Directors are confident that both have the potential to generate value, but this is unlikely to be reflected in significant earnings growth or uplifts in asset values in the short to medium term.

Against this background, the Forth Ports Directors consider that the Offer value of 1,630 pence per share (together with the proposed final dividend of 20 pence per share, which Forth Ports Shareholders on the register at the close of business on 15 April 2011 will also receive) represents fair value. Accordingly, the Forth Ports Directors are unanimously recommending that Forth Ports Shareholders accept the Offer by voting in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting.

## **6. Irrevocable undertakings and letters of intent**

Otter Ports has received irrevocable undertakings from the Forth Ports Directors to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting in respect of their own beneficial shareholdings of Forth Ports Shares amounting, in aggregate, to 330,679 Forth Ports Shares representing 0.72 per cent. of the existing issued share capital of Forth Ports. The undertakings given by the Forth Ports Directors cease to be binding if the Scheme is withdrawn or lapses, unless Otter Ports exercises its right to announce a Takeover Offer for the entire issued and to be issued share capital of Forth Ports not already owned by Arcus, in which case they shall cease to have effect on the withdrawal or lapsing of the Takeover Offer. They will also cease to be binding if the Scheme Document is not published within 28 days or if the Implementation Agreement is terminated in accordance with its terms.

In addition to the Forth Ports Shares which are the subject of irrevocable undertakings, David Richardson has a beneficial interest in 5,000 Forth Ports Shares and Gerry Brown has a beneficial interest in 1,214 Forth Ports Shares in respect of which they are unable to control the casting of votes. Accordingly these Forth Ports Shares are not the subject of irrevocable undertakings to vote in favour of the Scheme.

Otter Ports has also received [letters of intent] from [ ] to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting in respect of, in aggregate, [ ] Forth Ports Shares representing approximately [ ] per cent. of the existing issued share capital of Forth Ports.

Further details of these irrevocable undertakings and letters of intent are set out in Appendix III to this announcement.

## **7. Information on Forth Ports**

Forth Ports owns and operates eight commercial ports in the UK – Tilbury on the Thames, Dundee on the Firth of Tay and six on the Firth of Forth – Leith, Grangemouth, Rosyth, Methil, Burntisland and Kirkcaldy. It also has a business, Nordic, which operates out of Chatham in Kent and Tilbury, which is engaged in port activities and recycling.

Within and around the Firths of Forth and Tay, Forth Ports manages and operates an area of 280 square miles of navigable waters, including two specialised marine terminals for oil and gas export and provides other marine services, such as pilotage towage and conservancy.

The Group also has significant property interests as well as renewable energy projects where the Group is looking to gain planning approval for onshore wind installations and biomass facilities in its ports in Scotland.

The preliminary results of Forth Ports for the financial year ended 31 December 2010 were announced today.

## **8. Information on Arcus and Otter Ports**

### *Arcus*

Arcus Infrastructure Partners LLP is a leading independent, specialist fund manager focused on the European infrastructure sector.

Its first fund, Arcus European Infrastructure Fund 1 L.P., is an unlisted fund with over €2.2 billion of commitments backed by over 40 pension fund and other institutional investors from the UK, elsewhere in Europe and other parts of the world. The fund makes long-term investments in high quality infrastructure assets throughout the European area. The fund has invested in a variety of rail, road and port assets throughout Europe as well as telecommunication towers.

Arcus Infrastructure Partners LLP is an independent manager wholly-owned by its partners. It actively manages its investments, supporting executive management teams through the knowledge and experience of its 25 strong team of investment and asset management professionals drawn from a variety of operating and finance backgrounds.

### *Otter Ports*

Otter Ports is a newly-incorporated company, incorporated in England, formed for the purpose of implementing the Offer and is wholly-owned by Arcus. The current directors of Otter Ports are Simon Gray and Nicola Palmer.

Otter Ports has not traded since its incorporation, nor has it entered into any obligations other than in connection with the implementation of the Offer. Further information in relation to Otter Ports will be set out in the Scheme Document.

## **9. Financing of the Offer**

The cash consideration payable under the Offer will be financed using a mixture of equity contributions from the Arcus European Infrastructure Fund 1 L.P. and debt financing. The share capital has been fully underwritten by Arcus and the debt financing has been arranged and fully underwritten by J.P. Morgan, Crédit Agricole Corporate & Investment Bank, RBC Capital Markets, The Royal Bank of Scotland and Santander Global Banking and Markets.

Arcus reserves the right to syndicate a proportion of the equity share capital of the Wider Otter Ports Group after the date of this announcement.

J.P. Morgan Cazenove, financial adviser to Arcus and Otter Ports, is satisfied that resources are available to Otter Ports sufficient to satisfy the cash consideration payable to Forth Ports Shareholders assuming full acceptance of the Offer.

## **10. Management, employees and location**

Arcus intends to maintain the headquarters of the Forth Ports business in Scotland. Arcus recognises the skills and experience of the existing management team and intends to work with them to grow the Forth Ports business and create value over the coming years.

Arcus has given assurances to the Board of Forth Ports that the existing rights of management and employees of the Forth Ports Group, including pension rights, will be fully safeguarded following completion of the Offer.

## **11. Forth Ports Share Scheme**

At the same time as, or as soon as practicable following, publication of the Scheme Document, Forth Ports will write to participants in the Forth Ports Share Scheme to inform them of the effect of the Offer on their rights under the Forth Ports Share Scheme and to set out appropriate proposals.

## **12. Implementation Agreement**

AEIF LH Sub 03 S.à.r.l, Otter Ports and Forth Ports have entered into the Implementation Agreement which provides for the implementation of the Scheme in accordance with an agreed indicative timetable and related matters and contains certain assurances and confirmations between the parties, including provisions to implement the Scheme on a timely basis and governing the conduct of the business of the Forth Ports Group.

Pursuant to the Implementation Agreement, Forth Ports has undertaken not (directly or indirectly) to solicit approaches from any persons in respect of or in connection with a Third Party Transaction and has agreed to certain restrictions on the conduct of its business in the period between the date of this Announcement and the Effective Date. Further, in the event of an approach from a Third Party, the Forth Ports Directors have granted Otter Ports a matching right.

The Implementation Agreement terminates in certain circumstances, including:

- if any Condition becomes incapable of satisfaction or is invoked so as to cause the Offer not to proceed in circumstances where such invocation is in accordance with the Code and approved by the Panel;
- if the Scheme is not sanctioned by the relevant Forth Ports Shareholders at the Court Meeting, the resolution is not passed at the General meeting or the Court refuses to grant the Court Orders and Otter Ports has not elected to implement the Offer by way of a Takeover Offer;

- if the Scheme has not become effective by the Effective Date; or
- if the Forth Ports Directors withdraw their recommendation of the Offer, or adversely modify or qualify their recommendation (or intention to recommend) to Forth Ports Shareholders to vote in favour of the Scheme and the General Meeting resolutions (or, if applicable, to accept an Offer) and either:
  - the Panel consents to Arcus withdrawing the Offer (while structured as a Scheme); or
  - a Third Party Transaction becomes or is declared wholly unconditional or is completed.

### **13. Offer structure, delisting and re-registration**

It is intended that the Offer will be implemented by way of a Court-sanctioned scheme of arrangement between Forth Ports and the holders of Scheme Shares under Part 26 of the Companies Act. The procedure will involve, among other things, an application by Forth Ports to the Court to sanction the Scheme and confirm the cancellation of all Forth Ports Shares, in consideration for which the Forth Ports Shareholders will receive cash on the basis set out in paragraph 2 above.

The implementation of the Scheme will only become effective if, among other things, the following events occur on or before 16 June 2011 or such later date as Otter Ports and Forth Ports agree:

- a resolution to approve the Scheme is passed by a majority in number of the Scheme Shareholders present and voting (and entitled to vote), either in person or by proxy, at the Court Meeting, representing not less than three-quarters in value of the Forth Ports Shares held by such Scheme Shareholders;
- the Special Resolution necessary to implement the Scheme is passed by the requisite majority at the General Meeting;
- the Scheme is sanctioned (with or without modification, on terms agreed by Otter Ports and Forth Ports), the Reduction of Capital and Re-registration is confirmed, by the Court; and
- the Court Orders are delivered to the Registrar of Companies and registered by the Registrar of Companies together with the Statement of Capital attached to them.

Members of the Wider Otter Ports Group who hold Forth Ports Shares are excluded from attending and voting at the Court Meeting. Members of the Wider Otter Group have undertaken to provide a separate class consent to approve the Scheme in respect of the Forth Ports Shares owned by them.

The Scheme is also subject to certain conditions and certain further terms referred to in Appendix I of this announcement and to be set out in the Scheme Document.

Upon the Scheme becoming effective: (i) the Scheme will be binding on all Forth Ports Shareholders (irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting) and Forth Ports will become a wholly-owned subsidiary of Otter Ports and (ii) share certificates in respect of Forth Ports Shares will cease to be valid and entitlements to Forth Ports Shares held within the CREST system will be cancelled. It is also intended that Forth Ports will be re-registered as a private limited company as part of the Scheme.

It is intended that dealings in Forth Ports Shares will be suspended at 5.00 p.m. London time on the Business Day prior to the Effective Date. Prior to the Scheme becoming effective, it is intended that Forth Ports will make an application for the cancellation of the listing of the Forth Ports Shares on the Official List and for the cancellation of trading of the Forth Ports Shares on the London Stock Exchange's main market for listed securities, such cancellations to take effect shortly after the Effective Date.

The Scheme will contain a provision for Forth Ports to consent, on behalf of all persons concerned, to any modification of or addition to the Scheme or to any condition that the Court may approve or impose. Forth Ports has been advised that it is unlikely that the Court would impose any condition to the Scheme that might be material to the interests of Forth Ports Shareholders unless Forth Ports Shareholders have been informed in advance.

Otter Ports reserves the right, subject to the consent of the Panel, to elect to implement the Offer by way of a Takeover Offer as an alternative to the Scheme. Any such Takeover Offer will be subject to an acceptance condition of Otter Ports having acquired (whether pursuant to the Offer or otherwise) such percentage (being (i) 75 per cent. or such higher percentage as the Panel may permit and Otter Ports may decide, or (ii) such lesser percentage as Otter Ports may decide being more than 50 per cent.) of the Forth Ports Shares, as Otter Ports may decide, having consulted with Forth Ports and the Panel and will otherwise be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme and in compliance with applicable laws and regulations.

#### **14. Disclosure of interests in Forth Ports Shares**

Except as disclosed below, as at the close of business on 21 March 2011, the last practicable Business Day prior to the date of this announcement, neither Otter Ports nor Arcus, nor any of the Directors of Otter Ports or Arcus, nor, so far as Otter Ports or Arcus is aware, any person acting in concert with Otter Ports or Arcus (i) has any interest in or right to subscribe for any interest in, or right to subscribe for, any Forth Ports Shares or securities convertible or exchangeable into Forth Ports Shares ("Forth Ports Securities"), or (ii) has any short positions in respect of relevant Forth Ports Securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or



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*J.P. Morgan plc, which conducts its UK investment banking business as J.P. Morgan Cazenove and is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Arcus and Otter Ports and for no one else in connection with the Offer or any other matter set out in this announcement and will not be responsible to anyone other than Arcus or Otter Ports for providing the protections afforded to clients of J.P. Morgan plc or for providing advice in relation to the Offer or any other matter set out in this announcement or any offer or arrangements referred to herein or in the Scheme Document.*

*Commerzbank AG London Branch ("Commerzbank") is authorised by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), the German Federal Financial Supervisory Authority, and authorised and subject to limited regulation by the Financial Services Authority. Commerzbank is acting exclusively for Forth Ports in relation to the matters set out in this announcement and is not advising any other person and will not be responsible to anyone other than Forth Ports for providing the protections afforded to customers of Commerzbank or for providing advice in relation to matters set out in this announcement or any offer or arrangements referred to herein or in the Scheme Document.*

*Gleacher Shacklock LLP ("Gleacher Shacklock"), which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Forth Ports and no one else in connection with the matters set out in this announcement, and will not be responsible to anyone other than Forth Ports for providing the protections afforded to clients of Gleacher Shacklock or for providing advice in relation to matters set out in this announcement or any offer or arrangements referred to herein or in the Scheme Document.*

*Investec Bank plc, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Forth Ports and no one else in connection with the matters set out in this announcement, and will not be responsible to anyone other than Forth Ports for providing the protections afforded to clients of Investec Bank plc or for providing advice in relation to the matters set out in this announcement or any offer or arrangement referred to herein or in the Scheme Document.*

#### ***Further information***

*This announcement is for information purposes only and is not intended to, and does not constitute, or form part of, an offer to sell or any invitation to purchase or subscribe for any securities or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Offer or otherwise. This announcement does not constitute a prospectus or a prospectus equivalent document. Forth Ports Shareholders are advised to read carefully the formal documentation in relation to the Offer once it has been despatched. The proposals for the Offer will be made solely through the Scheme Document, which will contain the full terms and conditions of the Scheme, including details of how to vote with respect to the Scheme. Please carefully read the Scheme Document in its entirety before making a decision with respect to the Offer. Any acceptance or other response to the proposals should be made on the basis of the information in the Scheme Document. Forth Ports Shareholders may obtain a further free copy of the Scheme Document, when it becomes available, from Equiniti Limited, 1<sup>st</sup> Floor, 34 South Gyle Crescent, South Gyle Business Park, Edinburgh EH12 9EB.*

*This announcement has been prepared for the purposes of complying with Scots law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of a jurisdiction outside the United Kingdom.*

*Whether or not certain Forth Ports Shares are voted at the Court Meeting or the General Meeting, if the Scheme becomes effective, those Forth Ports Shares will be cancelled pursuant to the Scheme in return for the payment of 1,630 pence in cash per Forth Ports share.*

#### ***Dealing requirements of the Takeover Code (the "Code"):***

*Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.*

#### **Overseas shareholders**

*The release, distribution or publication of this announcement in jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about and observe any applicable requirements.*

*Unless otherwise determined by Otter Ports or required by the City Code, and permitted by applicable law and regulation, the Offer will not be made, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and the Offer will not be capable of acceptance from or within a Restricted Jurisdiction. Accordingly, copies of this announcement and all documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this announcement and all documents relating to the Offer (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions as doing so may invalidate any purported acceptance of the Offer.*

*The availability of the Offer to Forth Ports Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements. Further details in relation to overseas shareholders will be contained in the Scheme Document.*

*The Offer relates to the shares in a Scottish company and is proposed to be made by means of a scheme of arrangement provided for under company law of the United Kingdom. The scheme of arrangement will relate to the shares of a UK company that is a 'foreign private issuer' as defined under Rule 3b-4 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). A transaction effected by means of a scheme of arrangement is not subject to the proxy and tender offer rules under the Exchange Act. Accordingly, the Offer is subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements of the US proxy and tender offer rules. Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable in the UK that may not be comparable to the financial statements of US companies. If Otter Ports exercises its right to implement the Offer by way of a Takeover Offer, the Offer will be made in compliance with applicable US laws and regulations, including applicable provisions of the tender offer rules under the Exchange Act.*

#### ***Forward-Looking Statements***

*This announcement contains "forward-looking statements" concerning Forth Ports that are subject to risks and uncertainties. Information in this announcement relating to Forth Ports has been compiled from published sources. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward-looking*

*statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Otter Ports', Arcus' and Forth Ports' ability to control or estimate precisely, such as future market conditions, changes in regulatory environment and the behaviour of other market participants. Otter Ports, Arcus and Forth Ports cannot give any assurance that such forward-looking statements will prove to have been correct. The reader is cautioned not to place undue reliance on these forward looking statements, which speak only as of the date of this document. Otter Ports, Arcus and Forth Ports do not undertake any obligation to update or revise publicly any of the forward-looking statements set out herein, whether as a result of new information, future events or otherwise, except to the extent legally required.*

***Publication on websites***

*A copy of this announcement is and will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on Arcus' website at [www.arcusip.com](http://www.arcusip.com) and on Forth Ports' website at [www.forthports.co.uk](http://www.forthports.co.uk) during the Offer Period.*

*You may request a hard copy of this announcement free of charge by contacting Equiniti Limited, 1<sup>st</sup> Floor, 34 South Gyle Crescent, South Gyle Business Park, Edinburgh EH12 9EB on [to come Monday am]. You may also request that all future documents, announcements and information be sent to you in relation to the Offer should be in hard copy.*

**APPENDIX I**  
**CONDITIONS AND FURTHER TERMS OF THE OFFER**

**Part A: Conditions of the Offer**

- 1 The Offer will be conditional upon the Scheme becoming unconditional and becoming effective subject to the City Code, by no later than 16 June 2011 or such later date (if any) as Otter Ports and Forth Ports may, with the consent of the Panel, agree and (if required) the Court may allow.
- 2 The Scheme will be conditional upon:
  - (a) approval of the Scheme by a majority in number of the Scheme Shareholders entitled to vote and present and voting, either in person or by proxy, at the Court Meeting or at any adjournment of such meeting, representing no less than 75 per cent. in value of the Scheme Shares so voted;
  - (b) all resolutions required to approve and implement, the Scheme as set out in the notice of the General Meeting being duly passed by the requisite majority at the General Meeting or at any adjournment of that meeting;
  - (c) the sanction of the Scheme and the confirmation of the Capital Reduction in either case, without modification or with modification (on terms reasonably acceptable to Otter Ports and Forth Ports) by the Court and the delivery for registration of office copies of the Court Orders and the statement of capital attached thereto to the Registrar of Companies.
- 3 In addition, Forth Ports and Otter Ports have agreed that, subject to Part B below, the Scheme will also be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied (where capable of satisfaction) or where permitted, waived, prior to the Scheme being sanctioned by the Court in accordance with Condition 2(c) above:
  - (a) all necessary material notifications and filings having been made in connection with the Offer and all statutory and regulatory obligations in connection with the Offer in any relevant jurisdiction having been complied with and all Authorisations deemed necessary by Otter Ports in any relevant jurisdiction for, or in respect of, the Offer and, the acquisition or the proposed acquisition of the Forth Ports Shares by Otter Ports having been obtained in terms reasonably satisfactory to Otter Ports from all appropriate Third Parties, all or any applicable waiting and other time periods having expired, lapsed or been terminated (as appropriate) and all such Authorisations (together with all material Authorisations deemed necessary to carry

on the business of any member of the Wider Forth Ports Group) remaining in full force and effect at the time at which the Scheme becomes effective and there being no notice of any intention to revoke, suspend, restrict, amend or not to renew any such Authorisations;

- (b) no Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or having required any action to be taken, or otherwise having done anything, or having enacted, made or proposed any statute, regulation or order, or taken any other step that would or might reasonably be expected to:
- (i) require, prevent or materially delay the divestiture, or materially alter the terms envisaged for any proposed divestiture, by any member of the Wider Otter Ports Group or any member of the Wider Forth Ports Group of all or any material part of their respective businesses, assets or properties or impose any limitation on the ability of any member of the Wider Otter Ports Group or the Wider Forth Ports Group to conduct its business (or any part of it) or to own any of its assets or property or any part of them which, in any such case, is material in the context of the Wider Forth Ports Group taken as a whole;
  - (ii) save pursuant to the Scheme or sections 974 to 991 of the Companies Act, require any member of the Wider Otter Ports Group or of the Wider Forth Ports Group to make an offer to acquire, any shares or other securities (or the equivalent) of any member of the Wider Forth Ports Group owned by any third party;
  - (iii) impose any material limitation on, or result in a material delay in, the ability of Otter Ports directly or indirectly to acquire or to hold or to exercise effectively directly or indirectly all or any rights of ownership in respect of shares or securities convertible into shares or any other securities (or the equivalent) in Forth Ports or the ability of Otter Ports to hold or exercise effectively any rights of ownership of shares or other securities in, or to exercise management control over, any member of the Wider Forth Ports Group or require the divestiture by Otter Ports or any member of the Wider Otter Ports Group of any rights of ownership in respect of shares or other securities in Forth Ports which, in any case, is material in the context of the Wider Forth Ports Group taken as a whole;
  - (iv) otherwise materially adversely affect the business, assets or profits of any member of the Wider Forth Ports Group, in each case to an extent which is

adverse to and material in the context of the Wider Forth Ports Group taken as a whole;

- (v) result in any member of the Wider Forth Ports Group ceasing to be able to carry on business under any name under which it presently does so (the consequence of which would be material in the context of the Wider Forth Ports Group taken as a whole); or
- (vi) make the Offer, its implementation or the acquisition or proposed acquisition by Otter Ports or any member of the Wider Otter Ports Group of any shares or other securities in, or control or management of, Forth Ports void, unenforceable or illegal, or restrict, prohibit or delay to a material extent or otherwise materially interfere with the implementation of, or impose material additional conditions or obligations with respect to, the Offer, or otherwise materially challenge or require material amendment of, the Offer or the acquisition or proposed acquisition of any Forth Ports Shares or the acquisition of control of Forth Ports or any member of the Wider Forth Ports Group by Otter Ports,

and all applicable waiting and other time periods during which any such Third Party could decide to take, institute, implement or threaten any such action, proceedings, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Offer having expired, lapsed or been terminated;

- (c) save as Disclosed, there being no provision of any material arrangement, agreement, lease, licence, permit or other instrument to which any member of the Wider Forth Ports Group is a party or by or to which any such member or any of its assets is or may be bound or be subject which, as a consequence of the Offer or the acquisition or the proposed acquisition by Otter Ports or any member of the Wider Otter Ports Group of any shares or other securities (or the equivalent) in Forth Ports or because of a change in the control or management of any member of the Wider Forth Ports Group or otherwise, would result, in any case to an extent which is material in the context of the Wider Forth Ports Group taken as a whole, in:
  - (i) any monies borrowed by, or any other indebtedness, actual or contingent, of, any member of the Wider Forth Ports Group being or becoming repayable, or being declared repayable immediately or prior to their or its stated maturity date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited;

- (ii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Forth Ports Group;
  - (iii) any such material arrangement, agreement, lease, licence, permit or other instrument being terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;
  - (iv) any material assets or interests of any member of the Wider Forth Ports Group being disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged otherwise than in the ordinary course of business;
  - (v) the rights, liabilities, obligations or interests of any member of the Wider Forth Ports Group in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
  - (vi) any such member of the Wider Forth Ports Group ceasing to be able to carry on business under any name under which it presently does so;
  - (vii) the value or financial or trading position or profits of Forth Ports or any member of the Wider Forth Ports Group being materially prejudiced or materially adversely affected; or
  - (viii) the creation of any liability (actual or contingent) by any member of the Wider Forth Ports Group otherwise than in the ordinary course of business.
- (d) save as Disclosed, no member of the Wider Forth Ports Group having since 31 December 2010:
- (i) issued or agreed to issue or authorised the issue of additional shares of any class, or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities (save as between Forth Ports and wholly-owned subsidiaries of Forth Ports and save for the issue of Forth Ports Shares pursuant to or in connection with the exercise or vesting of options or awards granted under, or the grant of options or awards under, the Forth Ports Share Scheme);
  - (ii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution whether payable in cash or otherwise other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any

wholly-owned subsidiary of Forth Ports to Forth Ports or any of its wholly-owned subsidiaries save for any final dividend or second interim dividend declared, made or paid in respect of the financial year ended 31 December 2010 in the amount of 20 pence per Forth Ports Share;

- (iii) other than pursuant to the implementation of the Offer (and save for transactions between Forth Ports and its wholly-owned subsidiaries and transactions in the ordinary course of business) implemented, effected, authorised, proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares (or the equivalent thereof) in any undertaking or undertakings that is material in context of the Wider Forth Ports Group taken as a whole;
- (iv) (save for transactions between Forth Ports and its wholly-owned subsidiaries and save for transactions in the ordinary course of business) disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any asset that is material in the context of the Wider Forth Ports Group taken as a whole or authorised or announced any intention to do so;
- (v) (save for transactions between Forth Ports and its wholly-owned subsidiaries) issued, authorised or proposed the issue of any debentures or (save for transactions between Forth Ports and its wholly-owned subsidiaries or in the ordinary course of business) incur any indebtedness or contingent liability, which is material in the context of the Wider Forth Ports Group taken as a whole;
- (vi) entered into or varied or authorised, any material contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) otherwise than in the ordinary course of business which is of a long term, unusual or onerous nature or magnitude or which involves or is reasonably likely to involve an obligation of such a nature or magnitude which is, in any such case, or which is or is likely to be, materially restrictive on the business of any member of the Wider Forth Ports Group, which is, in any such case, material in the context of the Wider Forth Ports Group taken as a whole;
- (vii) entered into or varied to a material extent the terms of, or make any offer (which remains open for acceptance) to enter into or vary to a material extent the terms of, any service agreement with any director or, save for salary increases, bonuses or variations of terms in the ordinary course,

senior executive of Forth Ports with a basic salary in excess of £100,000 per annum;

- (viii) proposed, agreed to provide or modified in any material respect the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Forth Ports Group, which is, in any such case, material in the context of the Wider Forth Ports Group taken as a whole;
- (ix) purchased, redeemed or repaid or announced a proposal to purchase, redeem or repay any of its own shares or other securities (or the equivalent) or reduced or made any other change to or proposed the reduction or other change to any part of its share capital, save for the allotment of shares in connection with the Forth Ports Share Scheme pursuant to rights granted or awards made before the date of this announcement to an extent which is material in the context of the Wider Forth Ports Group taken as a whole or as between Forth Ports and wholly-owned subsidiaries of Forth Ports;
- (x) waived, compromised or settled any claim otherwise than in the ordinary course of business which is material in the context of the Wider Forth Ports Group taken as a whole;
- (xi) terminated or varied the terms of any material agreement or arrangement between any member of the Wider Forth Ports Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider Forth Ports Group taken as a whole;
- (xii) (save as disclosed on publicly available registers or as envisaged in accordance with the terms of the Scheme) made any alteration to its articles of association;
- (xiii) made or agreed or consented to any significant change to the terms of the trust deeds constituting the pension schemes established for its directors and/or employees and/or their dependants or to the benefits which accrue, or to the pensions which are payable, thereunder, or to the basis on which qualification for or accrual or entitlement to such benefits or pensions are calculated or determined or to the basis upon which the liabilities (including pensions) of such pension schemes are funded or made, or agreed or consented to any change to the trustees involving the appointment of a trust corporation or a simple replacement of a trustee or

trust director who has resigned which is, in any such case, material in the context of the Wider Forth Ports Group taken as a whole;

- (xiv) been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of any business which is material in the context of the Wider Forth Ports Group taken as a whole;
  - (xv) (other than in respect of a body corporate which was dormant and was solvent at the relevant time) taken or proposed any corporate action or had any legal proceedings instituted against it for its winding-up (voluntary or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction; or
  - (xvi) entered into any material agreement, arrangement or commitment or passed any resolution or made any proposal or announcement which remains open for acceptance with respect to, or to effect, any of the transactions, matters or events referred to in this Condition (c);
- (e) save as Disclosed, since 31 December 2010 there having been:
- (i) no adverse change in the business, assets, financial or trading position or profits of any member of the Wider Forth Ports Group which is material in the context of the Wider Forth Ports Group taken as a whole;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been announced or instituted by or against or remaining outstanding against or in respect of any member of the Wider Forth Ports Group and no enquiry or investigation by or complaint or reference to any Third Party against or in respect of any member of the Wider Forth Ports Group having been threatened, announced or instituted or remaining outstanding, against or in respect of any member of the Wider Forth Ports Group and which in any such case might reasonably be expected to be material and adverse in the context of the Wider Forth Ports Group taken as a whole;
  - (iii) no contingent or other liability having arisen of which Forth Ports is aware which might reasonably be expected to adversely affect any member of the

Wider Forth Ports Group which is material in the context of the Wider Forth Ports Group taken as a whole; and

- (iv) no steps having been taken of which Forth Ports is aware which are likely to result in the withdrawal, cancellation, termination or modification of any licence, appointment or authorisation held by any member of the Wider Forth Ports Group which is necessary for the proper carrying on of its business which is material in the context of the Wider Forth Ports Group taken as a whole;
- (f) save as Disclosed, Otter Ports not having discovered:
  - (i) that the financial, business or other information concerning the Wider Forth Ports Group publicly announced or disclosed at any time by or on behalf of any member of the Wider Forth Ports Group is misleading to a material extent, contains a material misrepresentation of fact or omits to state a material fact necessary to make the information contained therein not misleading to a material extent and which is in any case, material in the context of the Wider Forth Ports Group taken as a whole;
  - (ii) that any member of the Wider Forth Ports Group is, otherwise than in the ordinary course of business, subject to any liability, contingent or otherwise, which is material in the context of the Wider Forth Ports Group taken as a whole; or
  - (iii) any information which adversely affects the import of any information disclosed at any time before the date of this announcement by or on behalf of the Forth Ports Group and which is material in the context of the Wider Forth Ports Group taken as a whole.
- (g) Save as Disclosed and, in each case, only to the extent that it is material in the context of the Wider Forth Ports Group taken as a whole, Otter Ports not having discovered that any past or present member of the Wider Forth Ports Group has not complied with all applicable legislation or regulations of any jurisdiction or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any material liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider Forth Ports Group.

**Part B: Certain Further Terms of the Offer**

- 1 Subject to the requirements of the Panel or, if required, the Court, Otter Ports reserves the right to waive, in whole or in part, all or any of the above Conditions in paragraph 3. The Scheme will not become effective unless the Conditions have been fulfilled or waived or where appropriate, have been determined by Otter Ports acting reasonably to be or remain satisfied by no later than the date referred to in Condition 1 (or such later date as Otter Ports, Forth Ports, the Panel and, if required, the Court, may allow).
- 2 Otter Ports shall be under no obligation to waive, to determine to be or remain satisfied or to treat as fulfilled any of the Conditions in paragraphs 3(a) to (f) (inclusive) by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
- 3 If Otter Ports is required by the Panel to make an offer for Forth Ports Shares under the provisions of Rule 9 of the Code, Otter Ports shall make such alterations to any of the above Conditions, including Condition 1 above, and to the terms of the Offer as are necessary to comply with the provisions of that Rule.
- 4 Otter Ports reserves the right, with the consent of the Panel, to elect to implement the acquisition of the Forth Ports Shares not already owned by any member of the Wider Otter Ports Group by way of a Takeover Offer (as defined in Part 28 of the Companies Act) as an alternative to the Scheme. Any such Takeover Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments to reflect the change in method of effecting the acquisition including (without limitation and subject to the consent of the Panel) an acceptance condition set at such percentage (being greater than 50 per cent.) as Otter Ports may decide, and in compliance with applicable laws and regulations.
- 5 The Scheme will lapse if the European Commission either initiates proceedings under the Regulation or make a referral to a competent authority of the United Kingdom under Article 9(3) of the Regulation and there is a subsequent reference to the UK Competition Commission, in either case before the later of the time of the Court Meeting and the time of the General Meeting. In such event Forth Ports will not be bound by the terms of the Scheme.
- 6 The availability of the Offer to Forth Ports Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements. Further details in relation to overseas shareholders will be contained in the Scheme Document.

- 7 Under Rule 13.4 of the Code, Otter Ports may only invoke a Condition to the Offer so as to cause the Scheme not to proceed, to lapse or to be withdrawn where the circumstances which give rise to the right to invoke the Condition are of material significance to Otter Ports in the context of the Offer. The Conditions contained in paragraphs 1 and 2 above are not subject to Rule 13.4 of the Code.
- 8 The Offer and Scheme will be governed by Scottish law and will be subject to the exclusive jurisdiction of the Scottish courts

## APPENDIX II

### SOURCES OF INFORMATION AND BASES OF CALCULATION

In this announcement:

- 1 Unless otherwise stated, financing information relating to Forth Ports has been extracted or derived (without any adjustment) from Forth Ports' preliminary results statement for the financial year ended 31 December 2010, released on 22 March 2011
- 2 The value placed by the Offer on the entire existing issued and to be issued share capital, is based on the price of 1,630 pence per Forth Ports Share. Together with the proposed final dividend of 20 pence per share, and assuming 46,081,020 Forth Ports Shares being in issue and to be issued, the Offer values the Company at approximately £760 million.
- 3 Unless otherwise stated, all prices quoted for Forth Ports Shares have been derived from the Daily Official List of the London Stock Exchange and represent closing middle market prices on the relevant date.
- 4 The premium calculations have been calculated by reference to prices of:
  - (a) 1,444 pence per Forth Ports Share, being the closing price on 21 February 2011, the last trading day prior to press speculation on the possibility of a bid for Forth Ports; and
  - (b) 1,340 pence per Forth Ports Share, being the average closing price of Forth Ports Shares for the six months prior to and including 21 February 2011, the last trading day prior to press speculation on the possibility of a bid for Forth Ports.

### APPENDIX III

#### DETAILS OF IRREVOCABLE UNDERTAKINGS AND LETTERS OF INTENT

The following Forth Ports Directors have irrevocably undertaken to accept the Offer:

*[Forth Ports to insert numbers]*

Name	Number of Forth Ports Shares	%	of issued share capital
<i>Forth Ports Directors</i>			
David Richardson	[•]		[•]
Charles Hammond	[•]		[•]
Wilson Murray	[•]		[•]
Perry Glading	[•]		[•]
Stuart Paterson	[•]		[•]
Struan Robertson	[•]		[•]
Gerry Brown	[•]		[•]
James Tuckey	[•]		[•]
Marie-Louise Clayton	[•]		[•]
<b>Total</b>	<b>[•]</b>		<b>[•]</b>

In addition the Forth Ports Directors have agreed that the undertaking to vote in favour of the Scheme at the Court Meeting and the resolutions and the General Meeting will extend to Forth Ports Shares issued to them before the meetings on the exercise of certain options.

The undertakings given by the Forth Ports Directors cease to be binding if the Scheme is withdrawn or lapses, unless Otter Ports exercises its right to announce a Takeover Offer for the entire issued share capital of Forth Ports, not already owned by any member of the Wider Otter Ports Group, in which case it shall cease to have effect on the withdrawal or lapsing of the Takeover Offer.

The following holders of Forth Ports Shares have given [letters of intent] to vote in favour of the Offer:

Name	Number of Forth Ports Shares	% of issued share capital	
<i>Shareholders</i>			
[]		[•]	[•]
<b>Total</b>		[•]	[•]

## APPENDIX IV

### DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise.

<b>“Arcus”</b>	Arcus European Infrastructure Fund I L.P.
<b>“Act” or “Companies Act”</b>	the Companies Act 2006, as may from time to time be modified, amended or re-enacted
<b>“Annual Report”</b>	the annual report and accounts of Forth Ports for the year ended 31 December 2010
<b>“Authorisations”</b>	material authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licenses, appointments, permissions and approvals
<b>“Business Day”</b>	a day on which the London Stock Exchange is open for business
<b>“Capital Reduction”</b>	the proposed reduction of the ordinary share capital of Forth Ports provided by the Scheme under section 641 of the Companies Act
<b>“City Code” or “Code”</b>	the City Code on Takeovers and Mergers
<b>“Commerzbank”</b>	Commerzbank AG London Branch
<b>“Conditions”</b>	means the conditions of the Offer set out in Appendix I to this announcement and a “Condition” shall mean any one of them
<b>“Court”</b>	the Court of Session in Edinburgh
<b>“Court Hearing”</b>	means the hearing by the Court to confirm the Scheme, the Capital Reduction and the Re-registration at which the Court Orders are expected to be granted
<b>“Court Meeting”</b>	the meeting (and any adjournment thereof) of Scheme Shareholders to be convened by order of the Court pursuant to Part 26 of the Companies Act to consider and, if thought fit, approve the Scheme (with or without modification)

<b>"Court Orders"</b>	means the orders of the Court sanctioning the Scheme under section 899 of the Companies Act, confirming the Reduction of Capital under section 641 of the Companies Act and confirming the Re-registration under section 651(1) of the Companies Act
<b>"Crédit Agricole"</b>	Crédit Agricole Corporate and Investment Bank, London Branch and any of its affiliates as the context may require
<b>"CREST"</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the CREST Regulations)
<b>"CREST Regulations"</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time
<b>"Daily Official List"</b>	the daily official list of the London Stock Exchange
<b>"Disclosed"</b>	means (i) disclosed in the Annual Report; (ii) Publicly Announced; (iii) included within the data room established by Forth Ports; (iv) disclosed to Otter Ports or to the Wider Otter Ports Group or their financial, legal, accounting, or other advisers by or on behalf of Forth Ports including in discussions at any time with any Forth Ports Director, any member of the senior management of Forth Ports, the Chairman of the trustees of the Forth Ports pension scheme, representatives of Jones Lang Lasalle, Lloyds Banking Group, HBOS and the actuaries of the Forth Ports pension scheme; or (v) which have been pointed out, observed or which ought reasonably to have been noticed by or on behalf of representatives of Otter Ports or the Wider Otter Ports Group during any site visit to any of the Forth Ports Group ports and operations prior to the date of this announcement
<b>"Directors" or "Board"</b>	the directors or the board of the relevant entity
<b>"Effective Date"</b>	the date on which the Scheme becomes effective being a date not later than 16 June 2011 or such later date as may be agreed between inter alia Otter Ports and Forth Ports
<b>"Forms of Proxy"</b>	the forms of proxy to be enclosed with the Scheme Document for use at the Court Meeting and General

	Meeting
<b>“Forth Ports” or the “Company”</b>	Forth Ports PLC
<b>“Forth Ports Directors”</b>	the directors of Forth Ports as at the date of this announcement
<b>“Forth Ports Group”</b>	Forth Ports, its subsidiaries and subsidiary undertakings
<b>“Forth Ports Shares”</b>	the existing unconditionally allotted or issued and fully paid ordinary shares of 50 pence each in the capital of Forth Ports and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes effective
<b>“Forth Ports Shareholders” or “Shareholders”</b>	the holders of Forth Ports Shares
<b>“Forth Ports Share Scheme”</b>	Forth Ports’ 2006 Long Term Incentive Plan
<b>“FSA” or “Financial Services Authority”</b>	the Financial Services Authority in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
<b>“General Meeting”</b>	the general meeting (or any adjournment thereof) of the Forth Ports Shareholders to be convened in connection with the Scheme, expected to be held as soon as the preceding Court Meeting shall have been concluded or adjourned
<b>“Gleacher Shacklock”</b>	Gleacher Shacklock LLP
<b>“Investec”</b>	Investec Bank plc
<b>“Investee Company”</b>	any company in which Arcus European Infrastructure Fund 1 L.P. are invested through a wholly-owned holding company from time to time including, for the avoidance of doubt, the Euroports group
<b>“Implementation Agreement”</b>	means the implementation agreement between AEIF LH Sub 03 S.à.r.l, Otter Ports and Forth Ports dated [21 March 2011]
<b>“J.P. Morgan Cazenove”</b>	J.P. Morgan plc, which conducts its UK investment banking business as J.P. Morgan Cazenove
<b>“J.P. Morgan”</b>	J.P. Morgan plc and/or JPMorgan Chase Bank, N.A.,

	London Branch and any of their respective affiliates as the context may require
<b>“Listing rules”</b>	the Listing Rules made by the FSA under Part VI of the Financial Services and Markets Act 2000
<b>“London Stock Exchange”</b>	London Stock Exchange PLC
<b>“Offer”</b>	means the proposed acquisition of the entire issued and to be issued share capital of Forth Ports not already owned by Otter Ports to be implemented by means of the Scheme (or if Otter Ports so elects, a Takeover Offer) on the terms and subject to the conditions set out in this announcement and to be set out in the Scheme Document (or the Offer Document (as the case may be)) and, where the context admits, any subsequent revision, variation, extension or renewal thereof
<b>“Offer Document”</b>	means, in the event Otter Ports elects to implement the Offer by means of a Takeover Offer, the document containing the Takeover Offer to be sent to Forth Ports Shareholders
<b>“Official List”</b>	the Official List of the UK Listing Authority
<b>“Otter Ports”</b>	Otter Ports Limited
<b>“Panel”</b>	the Panel on Takeovers and Mergers
<b>“Pounds”, “pence” and “£”</b>	the lawful currency of the United Kingdom
<b>“Publicly Announced”</b>	disclosed in any public announcement by Forth Ports to any Regulatory Information Service or in its report and accounts for the years ended 31 December 2010
<b>“RBC Capital Markets”</b>	RBC Capital Markets and/or Royal Bank of Canada, London Branch and any of their respective affiliates as the context may require
<b>“Registrar of Companies” or “Registrar”</b>	the Registrar of Companies in Scotland
<b>“Regulation”</b>	has the meaning given to it in paragraph 3 of Appendix I to this announcement
<b>“Regulatory Information Service”</b>	a “Regulatory Information Service” as defined by the

Listing Rules

<b>"Re-registration"</b>	the proposed re-registration of the Company as a private company under section 651(1) of the Companies Act provided for by the Scheme
<b>"Restricted Jurisdiction"</b>	any such jurisdiction where local laws or regulations may result in significant risk civil, regulatory or criminal exposure if information concerning the Offer is sent or made available to Forth Ports Shareholders in that jurisdiction (in accordance with Rule 30.3 of the Code)
<b>"Santander Global Banking and Markets"</b>	Abbey National Treasury Services PLC (trading as Santander Global Banking and Markets) and any of its affiliates as the context may require
<b>"Scheme"</b>	the proposed scheme of arrangement made under Part 26 of the Companies Act between Forth Ports and the holders of Scheme Shares (with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Otter Ports and Forth Ports) particulars of which will be set out in the Scheme Document
<b>"Scheme Document"</b>	means the document to be sent to Forth Ports Shareholders which will, among other things, contain the terms and conditions of the Scheme and notices convening the Court Meeting and the General Meeting
<b>"Scheme Record Time"</b>	anticipated to be 6.00 pm on the Business Day before the Court Hearing
<b>"Scheme Shareholders"</b>	means the holders of Scheme Shares excluding any member of the Wider Otter Ports Group
<b>"Scheme Shares"</b>	means the Forth Ports Shares: (a) in issue at the date of the Scheme Document; (b) (if any) issued after the date of the Scheme Document and prior to the Voting Record Time; (if any) issued at or after the Voting Record Time and at or prior to the Scheme Record Time either on terms that the original or any subsequent holders thereof shall be bound by the Scheme and/or in respect of which the original or any subsequent holders thereof are, or shall have agreed in

	writing to be, bound by the Scheme
<b>“Takeover Offer”</b>	means the implementation of the Offer by means of a takeover offer under the City Code
<b>“The Royal Bank of Scotland”</b>	The Royal Bank of Scotland plc and any of its affiliates as the context may require
<b>“Third Party”</b>	a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, professional association, institution, employee representative body or any other such body or person whatsoever in any jurisdiction
<b>“Third Party Transaction”</b>	means (a) any offer (construed in accordance with the Code and whether or not subject to pre-conditions), possible offer, proposal or indication of interest from, or on behalf of, any person other than Otter Ports or any person acting in concert with Otter Ports, with a view to such person, directly or indirectly, acquiring (in one transaction or a series of transactions) (i) more than 30 per cent. of the issued share capital of Forth Ports or (ii) a material part of Forth Ports’ business or assets or (b) the entering into, by any member of the Forth Ports Group, of any transaction or series of transactions howsoever implemented that, in the case of (a)(ii) or (b) above, would be reasonably likely to preclude, impede, delay or prejudice the implementation of the Offer;
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“United States” or “US”</b>	the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia
<b>“Voting Record Time”</b>	the time and date specified in the Scheme Document by reference to which entitlement to vote on the Scheme will be determined
<b>“Wider Forth Ports Group”</b>	Forth Ports, its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which Forth Ports

and such undertakings (aggregating their interests) have a direct or indirect interest of 20 per cent. or more of the voting or equity capital or the equivalent

**“Wider Otter Ports Group”**

Arcus, Otter Ports, and their respective subsidiaries, subsidiary undertakings, any company of which any of them is a subsidiary (its holding company), any other subsidiaries of any such holding company, parent undertaking and any subsidiary undertaking of any such parent undertaking and shell, including Arcus European Infrastructure Fund 1 L.P., Arcus European Infrastructure GP LLP and any successor, general partner or manager of Arcus and any other body corporate, partnership, joint venture or person in which Arcus, Otter Ports and such undertakings (aggregating their interests) have a direct or indirect interest of 20 per cent. or more of the voting or equity capital or the equivalent (in each case excluding Forth Ports PLC and/or its subsidiaries) excluding any Investee Company

For the purposes of this announcement, “**subsidiary**”, “**subsidiary undertaking**”, “**undertaking**” and “**associated undertaking**” have the respective meanings given thereto by the Act.

All the times referred to in this announcement are London times unless otherwise stated.

References to the singular include the plural and vice versa.