

05 March 2010
Peel Ports Holdings (IOM) Ltd
Statement re Possible Offer

This is an announcement falling under Rule 2.4 of the City Code on Takeovers and Mergers (the "Code") and does not constitute an announcement of a firm intention to make an offer or to pursue any other transaction under Rule 2.5 of the Code. Accordingly, Forth Ports PLC shareholders are advised that there can be no certainty that a formal offer for Forth Ports PLC will be forthcoming, even in the event that the pre-conditions in this announcement are satisfied or waived.

AEIF General Partner Limited, on behalf of Arcus European Infrastructure Fund 1 LP ("Arcus"), Peel Holdings Limited ("Peel"), RREEF Limited, as a manager of the RREEF Pan-European Infrastructure Fund ("RREEF Infrastructure") - Possible Offer for Forth Ports PLC

Arcus, Peel and RREEF Infrastructure (together the "Consortium" or "Northstream") today announces that it has made a proposal to the Board of Forth Ports to acquire the remaining Forth Ports PLC ("Forth Ports") shares it does not already own. In aggregate, the Consortium currently holds approximately 27.4% of the outstanding shares in Forth Ports.

On 28 January 2010, Northstream made an initial approach to Forth Ports regarding a possible all cash offer at 1,285 pence per Forth Ports share. On 11 February 2010, following discussions between respective advisers and limited guidance on value, the Consortium increased its possible cash offer, on a conditional basis, to 1,340 pence per Forth Ports share, representing a premium of 28.5% to the previous day's closing price. The Board of Forth Ports rejected this proposal and declined to enter into further discussions with the Consortium regarding terms which might be acceptable to them prior to Forth Ports' results on 22 March 2010.

On 1 March 2010, Northstream sent a further letter to the Board of Forth Ports setting out that the Consortium may be prepared to consider a further increase in price, based on additional areas of value that might be substantiated by specific areas of due diligence referred to in the letter. In addition, given Forth Ports' desire not to engage prior to the 22 March 2010, Northstream offered to meet with Forth Ports immediately following the 22 March 2010 results release. On 4 March 2010, Forth Ports responded to this letter confirming that it was willing to meet the individual consortium members in their capacity as shareholders and that it would consider whether to meet the Consortium in its capacity as an offeror.

The Consortium has invested significant time and effort in developing the indicative offer, and in arranging the necessary finance. Northstream is committed to working towards a recommended transaction and establishing a constructive dialogue with Forth Ports. Northstream believes that it is in the interests of Forth Ports shareholders for the Board of Forth Ports to engage with the Consortium in order to deliver an attractive cash offer in a timely manner.

The making of any offer by Northstream remains subject, *inter alia*, to the following pre-conditions:

- the Consortium being granted access to, and satisfactory completion of, a limited due diligence exercise;
- the unanimous and unqualified recommendation by the Board of Forth Ports in respect of any offer by Northstream; and
- each member of the Board of Directors of Forth Ports giving irrevocable undertakings to accept any such offer in respect of all of their Forth Ports shares.

The Consortium reserves the right to waive any or all of the pre-conditions described in this announcement.

There can be no guarantee that an offer will be made nor as to the terms on which any offer would be made.

A further announcement will be made in due course if required.

Press Contacts

James Bradley, Tulchan +44 (0) 20 7353 4200
Stephen Malthouse, Tulchan

Alex Barr, BIG Partnership +44 (0) 7962 135467

Arcus

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

Its first fund, Arcus European Infrastructure Fund 1, is an unlisted fund with over €2 billion of commitments backed by over 40 institutional investors from around the world. The Fund invests in high quality infrastructure assets throughout the European area.

Arcus was founded in July 2009 from a management buyout of part of Babcock & Brown's European infrastructure business, led by Toto Lo Bianco and Simon Gray. Arcus is an independent business owned by its partners. Arcus has an investment team of 25 experienced investment professionals, drawn from a variety of operating and finance backgrounds with a focus on the European infrastructure sector.

The Arcus team has a strong track record in European infrastructure investment, asset management and operations. Over the past two decades, the members of the Arcus team have been directly responsible for originating, executing and managing in excess of 40 infrastructure investment transactions across Europe with an aggregate enterprise value in excess of €10 billion.

The Peel Group

The Peel Group is a leading infrastructure, transport and real estate enterprise in the UK with assets in excess of £5 billion. The Group holds numerous investments in growing businesses including ports, airports, media, energy, land, developments, investment property, environmental assets, hotels and utilities as well as a portfolio of investments in quoted companies of around £500 million.

It was formed in 1973 following the acquisition of Peel Mills Limited by John Whittaker and since then group assets have increased from £250,000 in 1973 to in excess of £5 billion today. Peel employs 5,000 direct employees and many more indirectly.

Peel has a long term investment philosophy through organic growth and acquisitions of assets with marriage value to existing investments. The underlying approach focuses on extracting value from the portfolio's entire value chain, primarily from natural assets. The Group has an established track record of regeneration, developing sustainable assets and infrastructure that are relevant to businesses and local communities in which Peel operates. Peel's track record extends from first generation retail parks, waterside regeneration for residential, commercial or port operations, airport infrastructure, shopping and leisure attractions such as The Trafford Centre, as well as the supply of energy, primarily from renewable fuels, utilities and management of waste in a sustainable way. As well as this, its

experience and ownership of Peel Ports Group has provided the group with in-depth industry knowledge and a desire to increase its assets in this unique asset class. Peel currently holds a stake of approximately 3.5% in Forth Ports.

RREEF Infrastructure

RREEF Infrastructure invests predominately in economic infrastructure assets such as transportation, and utility generation and distribution. RREEF Infrastructure is part of Deutsche Bank's Asset Management division and has €5.7 billion in assets under management as of 31 December 2009.

RREEF Infrastructure has an in-depth understanding of the ports industry and is highly experienced in this sector, with numerous investments in ports assets. In particular, RREEF Infrastructure holds a 49.9% interest in Peel Ports Group, alongside the Peel Group since 2006. Its investments in the port sector also include 35% of Port of Geelong, a major port in Victoria, Australia, since 1996, and 25.1% of Port of Lübeck in Germany, with the City of Lübeck since 2008. RREEF Infrastructure currently holds a stake of approximately 0.5% in Forth Ports.

Securities Laws:

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.

Dealing Disclosure Requirements:

Under the provisions of Rule 8.3 of the Code, if any person is, or becomes, "interested" (directly or indirectly) in 1 per cent. or more of any class of "relevant securities" of Forth Ports, all "dealings" in any "relevant securities" of that company (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3:30pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of Forth Ports, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Code, all "dealings" in "relevant securities" of Forth Ports by the potential offeror, Forth Ports or by any of their respective "associates", must be disclosed by no later than 12:00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Panel's website at www.thetakeoverpanel.org.uk.

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, you should consult the Panel.