

125
YEARS AT
TILBURY

PORT OF TILBURY

Tilbury is London's major port providing fast, modern distribution services for the benefit of the south east of England. It is the UK's leading paper handling port and has a strong position in containers, bulk commodities and construction and building materials.

Tilbury has a leading market position in a variety of commodities and is the distribution hub of choice for the Olympics. The port has a prominent role to play in the regeneration of Thurrock Thames Gateway and in providing greener supply chains.

SCOTTISH PORTS

Our ports in Scotland are optimally located for distribution into the industrial and consumer heartland of Scotland. We offer combined and environmentally friendly transport solutions with road, rail and sea, together with innovative, flexible supply chain solutions to Scotland's businesses.

MARINE

As the Statutory Harbour Authority for the Forth and the Tay we track vessels 24 hours a day and ensure that the highest standards of safety set out in the Port Marine Safety Code are met. Our marine services are flexible and responsive to shipping needs.

NORDIC GROUP

Nordic manages and recycles waste for many large businesses. Value is added to these businesses at our strategic port locations for processing and handling waste as well as reducing the need for landfill.

FORTH PORTS PLC

Founded on port operations
and capitalising on locations.

PROPERTY

Our property business is making a significant contribution to the regeneration of Edinburgh's Waterfront. Our development land at The Harbour will provide a retail, leisure and commercial heart for the waterfront and facilitate economic growth.

OCEAN TERMINAL

Ocean Terminal is an established shopping centre which provides an anchor for our regeneration plans, and an exciting and varied shopping and leisure experience for residents and visiting tourists.

RENEWABLE ENERGY

Our ports and land assets have the potential to develop manufacturing and logistics centres of excellence for the offshore renewables industry.

Our plans to provide renewable heat and power will make an important contribution to sustainable lower carbon cities in Scotland.

2010 ANNUAL RESULTS

22nd March 2011



FINANCIAL OVERVIEW

- Growth in revenue and profitability
- Group cashflow positive
- Net debt reduced
- Valuation uplift in property



FINANCIAL HIGHLIGHTS

	2010 £m	2009* £m	CHANGE
REVENUE	181.9	173.9	+5%
Reported Group operating profit	69.5	40.3	+72%
Reported Group profit before tax	56.3	47.0	+20%
Underlying Group profit before tax	36.6	33.2	+10%
Reported Group profit for the year	45.1	37.1	+22%
	Pence	Pence	
Basic earnings per share	98.4	81.7	+20%
Underlying earnings per share	59.3	56.2	+6%
Proposed final dividend per share	20.0	19.1	+5%
Total full year dividend per share	30.0	28.6	+5%

* Revised for measurement period adjustment and reallocation of net finance cost on pension liability where appropriate



OPERATING PERFORMANCE

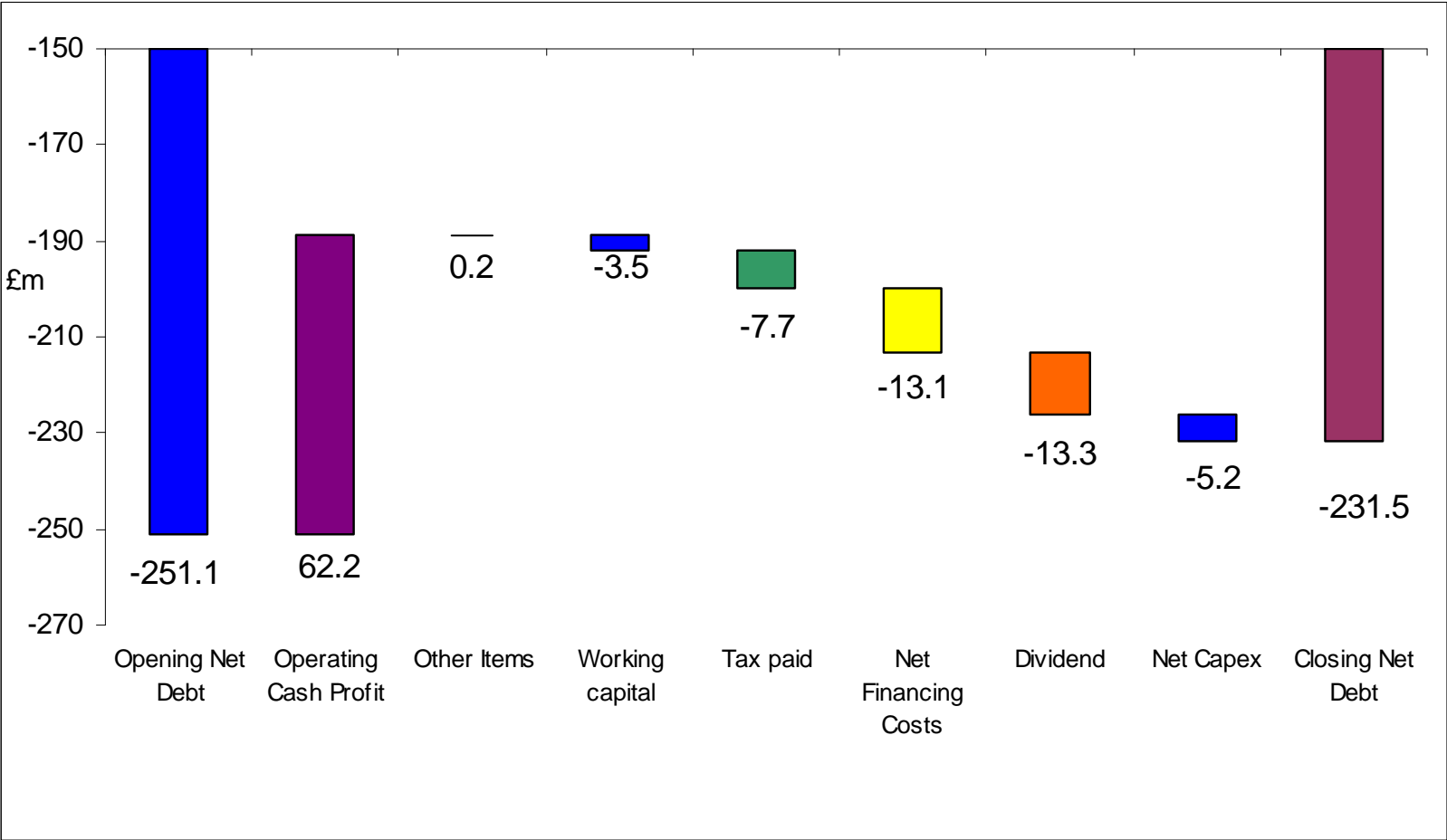
	2010 £m	2009* £m	CHANGE
REVENUE (PORTS, RECYCLING)	173.1	172.4	-
UNDERLYING EBITDA			
Underlying ports EBITDA**	57.0	55.2	+3%
Underlying recycling EBITDA	<u>2.2</u>	<u>2.4</u>	-8%
Total underlying ports and recycling EBITDA	<u>59.2</u>	<u>57.6</u>	+3%
Underlying TCS EBITDA (our 33% share)	3.7	2.9	+28%
Underlying group profit before tax	36.6	33.2	+10%

* Revised for reallocation of net finance cost on pension liability where appropriate

** Includes pension service cost £4.1m (2009 - £2.4m)



REDUCTION IN NET DEBT



OPERATING AND BUSINESS REVIEW

- Improved Ports profit performance from both Scotland and Tilbury
 - Progress on expansion of Tilbury
 - Progress on Renewables
 - Underlying income growth
Valuation growth
- } Property



OPERATING REVIEW – PORTS SCOTLAND

Improved Volumes / Activity

Bredero Shaw

Bulks

North Sea Oil Activity

Agriculture

Ro-Ro / Cars

Leith

Leith

Dundee

Dundee

Rosyth

Lower Volumes / Activity

Norwegian Field tonnages to build up

Goldeneye production ceasing

Container volumes

Braefoot Bay

Braefoot Bay

Grangemouth



OPERATING REVIEW – PORTS TILBURY

Improved Volumes / Activity

Bulks

Paper / Forest Products

Cars

Ro-Ro

Tilbury Container Services



Lower Volumes / Activity

Short Sea Containers



NEW ENQUIRIES / AGREEMENTS

SCOTLAND

- Scrap
- Bulks
- Agriculture
- North Sea activity
- Container Services
- Bredero Shaw
- Port Centric distribution

TILBURY

- London Organising Committee – Olympics
- Container Services
- Bulks
- Forest Products
- Port Centric distribution



GROWTH PROJECTS

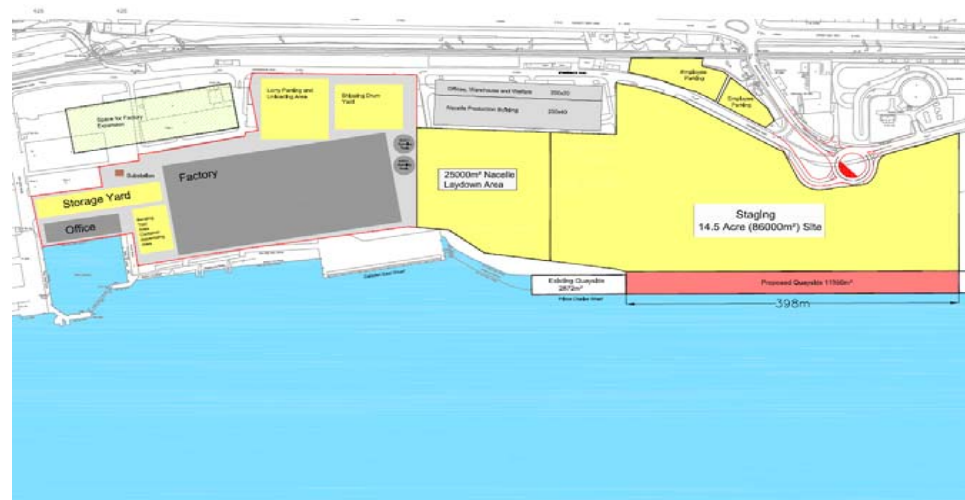
PROJECT NEXT – TILBURY

- Planning - recommendation for approval
- Early interest in site
- Planning timetable
 - TTGDC Committee
 - Secretary of State - estimated H2 2011



RENEWABLES – SCOTLAND

- Designation of Leith and Dundee in National Renewables Infrastructure Plan
- Application for funding - National Renewables Infrastructure Fund (Scotland)
- Several interested parties / enquiries at evaluation stage



Indicative layout for Renewables Site at Dundee



THE RENEWABLES CHALLENGE

2011

2012

2013

2014

2015



**R&D /
Prototyping-
Port
Location**

Validate Technology

**Carry out R&D / design work for
production, logistics, transport
and installation – optimise land-
based systems**

Commence turbine production



BIOMASS PROJECTS APPLICATION TIMELINE

		2010	2011			2012	
			Jan - Mar	Apr - Jun	July - Sep	Oct - Dec	
SUBMISSION		Submission of Dundee, Rosyth and Grangemouth Applications	Submission of Leith Application				
	PROGRESSING TO DETERMINATION		Dundee Committee 24/01/11 Deferral re Air Quality	Further Air Quality Monitoring		Possible Committee (depending on results)	Likely Committee (c. June 2012) Ministerial Decision late 2012*
			Grangemouth Committee 26/01/11 Site Visit 7/02/11 Further Committee 23/02/11 Deferral re Air Quality, Transport and Carbon	Submission of Addendum Mid-May 2011 (Post-election)	6 week Period of Consultation Re-presented to Committee Late August 2011		Ministerial Decision early 2012*
			Rosyth Committee (2 Stage) Area Scheduled 03/11 Planning Scheduled 04/11				Ministerial Decision late 2011/2012*
			Leith Committee Earliest June 2011 (No Statutory Consultee's Responses yet)				Ministerial Decision late 2011/2012*

* A public local inquiry will be held prior to ministerial decision if there is a sustained objection from the relevant planning authority.



RECYCLING

- Lower volumes from main customer
- New RDF business
- Sales and collection initiatives – positive impact
- Industrial waste opportunity



PROPERTY

- Planning approval for Harbour resolved by Council
- TIF approval in principle
- New lettings at Ocean Terminal
- Marketing for potential partner(s)



PROPERTY

ANALYSIS OF PROPERTY RETURNS

Property Assets	2009 Valuation £ m	2010 Net Income £ m	2010 Valuation £ m	Total Return 2010
Ocean Terminal	85.0	5.9	88.6	11.2%
Development Land	15.9	0.8	19.2	25.8%
Headline Valuation	100.9	6.7	107.8	13.5%
Grangemouth	5.6	0.2	5.7	5.4%
FPI Investment Property	3.5	0.3	3.9	20.0%
Total Property	110.0	7.2	117.4	13.3%

Analysed as:

Investment Property	88.5	6.2	92.5	11.5%
Development Property	21.5	1.0	24.9	20.5%



CONCLUSION

- Early trading encouraging
- Economic conditions still challenging
- Growth initiatives progressing
- Well positioned for the future



SUMMARY INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER

	2010*	2010**	Total 2010	2009*	2009**	Total 2009**
	£m	£m	£m	£m	£m	£m
Group revenue	<u>181.9</u>	<u>-</u>	<u>181.9</u>	<u>173.9</u>	<u>-</u>	<u>173.9</u>
Group operating profit/(loss)	49.8	19.7	69.5	42.2	(1.9)	40.3
Net finance costs	(14.6)	-	(14.6)	(10.6)	-	(10.6)
Acquisition accounting adjustment	-	-	-	-	18.3	18.3
Share of results of joint ventures and associate	<u>1.4</u>	<u>-</u>	<u>1.4</u>	<u>1.6</u>	<u>(2.6)</u>	<u>(1.0)</u>
Profit before tax	36.6	19.7	56.3	33.2	13.8	47.0
Taxation	<u>(9.4)</u>	<u>(1.8)</u>	<u>(11.2)</u>	<u>(7.7)</u>	<u>(2.2)</u>	<u>(9.9)</u>
Profit for the year	<u>27.2</u>	<u>17.9</u>	<u>45.1</u>	<u>25.5</u>	<u>11.6</u>	<u>37.1</u>

* Before exceptional items and revaluations ** Exceptional items and revaluations

*** Revised for measurement period adjustment and reallocation of net finance cost on pension liability



BUSINESS SEGMENTS

	2010	2010	2010	2009*	2009	2009*	2010	2009*
	Ports	Recycling	Property	Ports	Recycling	Property	Total	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Revenue	<u>157.4</u>	<u>15.7</u>	<u>8.8</u>	<u>154.8</u>	<u>17.6</u>	<u>1.5</u>	<u>181.9</u>	<u>173.9</u>
Underlying operating profit/(loss)	43.0	1.1	5.7	41.5	1.3	(0.6)	49.8	42.2
Exceptional items and revaluation	<u>16.1</u>	<u>-</u>	<u>3.6</u>	<u>10.5</u>	<u>(12.3)</u>	<u>(0.1)</u>	<u>19.7</u>	<u>(1.9)</u>
Operating profit/(loss)	59.1	1.1	9.3	52.0	(11.0)	(0.7)	69.5	40.3
Net finance costs	(5.6)	(1.6)	(7.4)	(6.1)	(1.6)	(2.9)	(14.6)	(10.6)
Ocean Terminal acquisition	-	-	-	-	-	18.3	-	18.3
Share of JVs/associates	1.4	-	-	0.7	-	0.9	1.4	1.6
Share of JV revaluation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2.6)</u>	<u>-</u>	<u>(2.6)</u>
Profit/(loss) before tax	<u>54.9</u>	<u>(0.5)</u>	<u>1.9</u>	<u>46.6</u>	<u>(12.6)</u>	<u>13.0</u>	<u>56.3</u>	<u>47.0</u>

* Revised for measurement period adjustment and reallocation of net finance cost on pension liability where appropriate



DTZ VALUATION DECEMBER 2010

	Development Land Valuation £m	“Income” Valuation £m	Total 2010 £m	2009 £m
Granton	1.7	4.6	6.3	5.4
Western Harbour	4.2	-	4.2	4.3
The Harbour	7.5	1.2	8.7	6.2
Burntisland and Methil	2.0	-	2.0	2.0
Grangemouth	3.1	2.6	5.7	5.6
Ocean Terminal	<u>-</u>	<u>88.6</u>	<u>88.6</u>	<u>85.0</u>
Property Development Assets	18.5	97.0	115.5	108.5
Reconciliation				
Burntisland and Methil	(2.0)	-	(2.0)	(2.0)
FPI Investment Property	<u>-</u>	<u>3.9</u>	<u>3.9</u>	<u>3.5</u>
Per Slide 16	<u>16.5</u>	<u>100.9</u>	<u>117.4</u>	<u>110.0</u>



BALANCE SHEET

AS AT 31ST DECEMBER

	2010 £m	2009* £m
Non current assets	578.4	563.3
Current assets		
Inventories	30.2	28.5
Trade and other receivables	34.6	33.4
Cash	<u>18.3</u>	<u>6.3</u>
	<u>83.1</u>	<u>68.2</u>
Current liabilities	<u>(41.7)</u>	<u>(37.9)</u>
Non current liabilities	<u>(345.8)</u>	<u>(354.4)</u>
Total assets less total liabilities	<u>274.0</u>	<u>239.2</u>

* Revised for measurement period adjustment



DEBT, GEARING AND TOTAL SHAREHOLDERS' EQUITY AS AT 31ST DECEMBER

	2010 £m	2009 £m
Cash	18.3	6.3
Borrowings	<u>(249.8)*</u>	<u>(257.4)*</u>
Net debt	<u>(231.5)</u>	<u>(251.1)</u>
Total shareholders' equity	<u>273.7</u>	<u>239.0**</u>
Gearing	85%	105%

* of which £63m is non-recourse to Forth Ports PLC

** Restated for measurement period adjustment



TONNAGE STATISTICS

	2010 Tm	2009 Tm
LIQUID BULKS		
Grangemouth	5.9	5.9
Dundee	0.5	0.5
Hound Point	21.3	23.6
Braefoot	<u>2.2</u>	<u>2.4</u>
	<u>29.9</u>	<u>32.4</u>
DRY CARGO		
Tilbury	8.7	8.0
Nordic	0.6	0.6
Grangemouth	2.2	2.4
Leith	1.8	2.0
Dundee	0.5	0.3
Fife	<u>0.7</u>	<u>0.3</u>
	<u>14.5</u>	<u>13.6</u>
TOTAL TONNAGE	<u>44.4</u>	<u>46.0</u>



REVENUE

	2010		2009	
	£m	%	£m	%
Liquid bulks	20.5	11	20.0	12
Dry cargo				
Containers	18.5	10	19.2	11
Other dry cargo	61.1	33	59.4	34
Recycling	15.7	9	17.6	10
Towage	4.7	3	4.7	3
Pilotage	5.3	3	5.1	3
Port rentals	22.3	12	21.8	12
Property income and development	8.8	5	1.5	1
Other activities	<u>25.0</u>	<u>14</u>	<u>24.6</u>	<u>14</u>
	<u>181.9</u>	<u>100</u>	<u>173.9</u>	<u>100</u>



EXCEPTIONAL ITEMS AND REVALUATIONS

	2010 £m	2009* £m
Group operating profit		
Write-back of operational property asset impairment	0.4	-
Rule 2.4 costs in respect of approach from the Consortium	(1.1)	-
Investment properties – revaluation	20.4	10.4
Accounting adjustment on OTL acquisition	-	18.3
Goodwill impairment (Nordic)	<u>-</u>	<u>(12.3)</u>
	<u>19.7</u>	<u>16.4</u>
Share of results of joint ventures		
- revaluation	<u>n/a</u>	<u>(2.6)</u>
Taxation		
Total tax effect of exceptional items and revaluations	<u>(1.8)</u>	<u>(2.2)</u>

* Revised for measurement period adjustment



CAPITAL EXPENDITURE

	2010	2009
	£m	£m
Investment	2.1	2.6
Maintenance	<u>4.2</u>	<u>2.9</u>
Total	<u>6.3</u>	<u>5.5</u>
Depreciation and amortisation charge (gross)	<u>15.9</u>	<u>15.5</u>

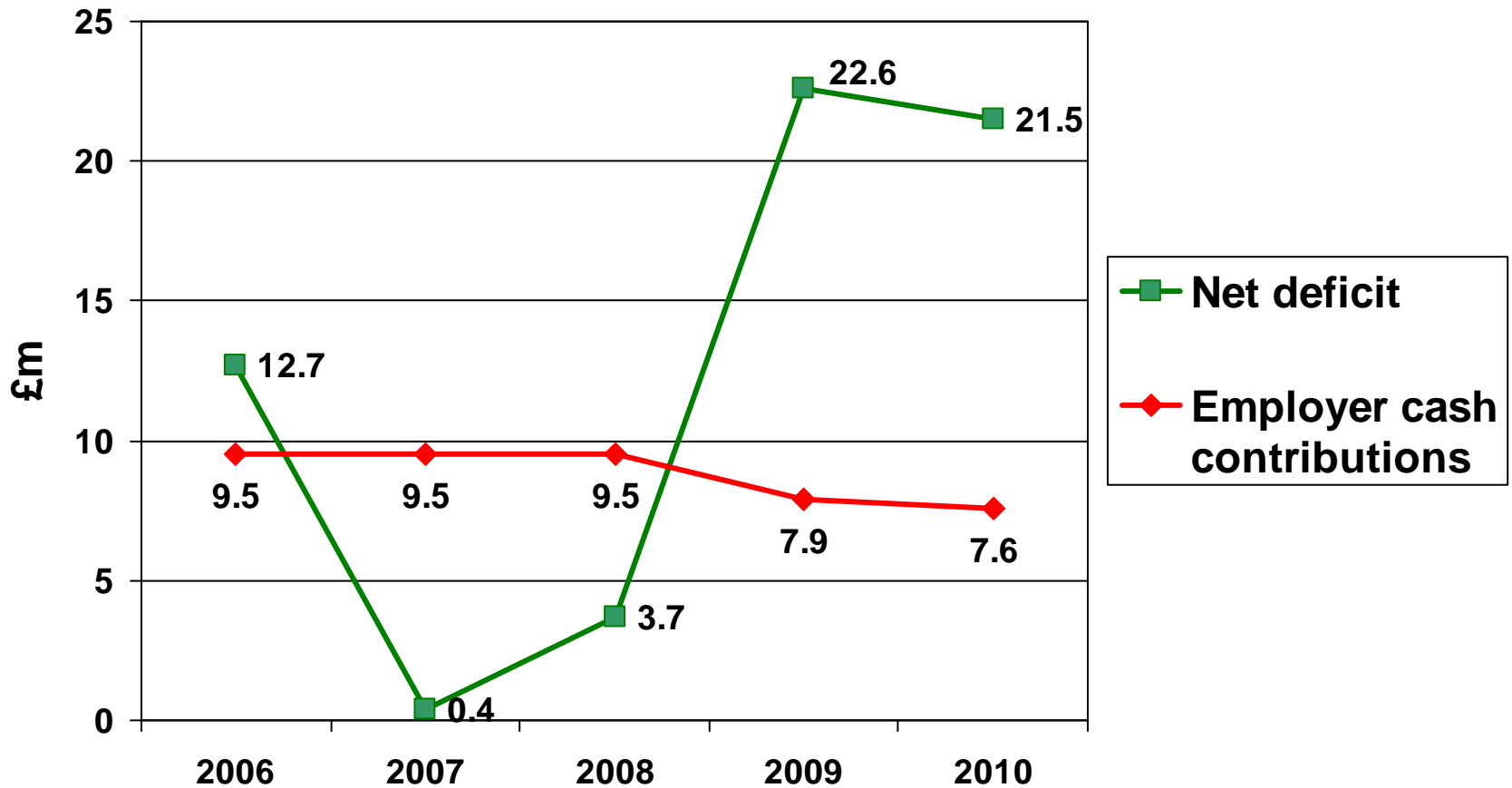


IAS 19 (EMPLOYEE BENEFITS) AS AT 31ST DECEMBER

	Expected Long-term Rate of Return %	2010 £m	Expected Long-term Rate of Return %	2009 £m
Equities	7.45	129.2	7.75	113.4
Gilts	4.20	43.5	4.50	39.5
Corporate Bonds	5.40	45.6	5.70	41.8
Other	0.50	<u>4.2</u>	0.50	<u>3.4</u>
Total market value of assets		222.5		198.1
Present value of liabilities		<u>(251.9)</u>		<u>(229.4)</u>
Deficit in the scheme		(29.4)		(31.3)
Related deferred tax asset		<u>7.9</u>		<u>8.7</u>
Net pension liability		<u>(21.5)</u>		<u>(22.6)</u>



PENSION SCHEME DEFICIT (NET OF TAX)



BANK FACILITIES AND FINANCIAL COVENANTS (FORTH PORTS EXCLUDING OTL)

BANK FACILITIES:

Revolving credit facilities	£250m	Until 30 June 2012
Overdraft facility (on demand)	£5m	Until 31 July 2011

FINANCIAL COVENANTS:

Tangible net worth	> £200m	Minimum headroom 2010 53%
Gearing (maximum)	< 100%	Maximum borrowing 2010 £256m
Interest cover	> 2.5x	Minimum headroom 2010 72%

