

FORTH PORTS PLC



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Press Information

28th August 2008

RESULTS FOR THE HALF YEAR ENDED 30TH JUNE 2008

Financial Highlights

- Group revenue up 21% to £90.1m (2007: £74.4m)
- Underlying¹ port operating profit up 38% to £22.8m (2007: £16.5m)
- Port operating profit up 36% to £22.4m (2007: £16.5m)
- Underlying¹ profit before tax up 38% to £16.5m (2007: £12.0m)
- Profit before tax £9.0m (2007: £12.0m)
- Underlying¹ earnings per share up 12% to 27.5p (2007: 24.5p)
- Basic earnings per share 10.4p (2007: 24.5p)
- 5.4% increase in interim dividend to 16.6p (2007: 15.75p)

Operational Highlights

Ports

- Strong earnings growth - underlying¹ port operating profit up 38% on tonnages up 5%
- Strong performance at Tilbury - reflecting benefit of secure contracts, better mix of cargo and tight cost control
- Scottish Ports - improved performance due to better revenue generation and tight cost control
- Good performance from Nordic
 - significant increase in volume of recycled materials at Tilbury facility
 - contract to provide recycling facilities for Lincolnshire County Council (through JV)

Property

- Approval received for Leith Docks Outline Planning Application on 27th August 2008
 - Edinburgh's largest ever expansion
- Planning application for the Hub to be submitted before year end
- Hub scheme to be marketed to strategic partners
- Property development assets at year end likely to be affected by market conditions
- Reduction in infrastructure spend with focus on securing consents

Energy

- Strategic partnership with Scottish and Southern Energy plc to develop renewable energy projects

¹ "Underlying" in the above context is defined as referring to the reported figure excluding the effect of any revaluation of investment properties, amortisation charge arising from acquisitions and any one-off significant costs.

Charles Hammond, Group Chief Executive, said:

“Our ports business performed strongly in the first half of 2008 and we remain confident that the Group will have another successful year. The security and breadth of our business positions us well for more challenging economic conditions. New areas of activity in Nordic and energy, coupled with a strong project pipeline, give us exciting opportunities to grow earnings. We remain confident of further planning progress within our property portfolio as we develop long-term value in our property business.”

Enquiries:

Charles Hammond, Group Chief Executive	Forth Ports PLC	Tel: 0207 404 5959 on 28.08.08
Wilson Murray, Group Finance Director		Thereafter 0131 555 8700
Jon Coles/Kate Miller	Brunswick	Tel: 0207 404 5959

Notes to Editors:

Forth Ports PLC owns and operates seven commercial ports in the UK - Tilbury on the Thames, Dundee in the Firth of Tay and five in the Firth of Forth - Leith, Grangemouth, Rosyth, Methil and Burntisland. We also operate out of Chatham in Kent under the Nordic banner.

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 towage and conservancy.

The Group also has significant property interests which it continues to develop as part of its commitment to increase shareholder value.

CHAIRMAN AND GROUP CHIEF EXECUTIVE'S REPORT

The Group produced a strong first half performance in 2008. Group revenue increased by 21% to £90.1m (2007 - £74.4m). Group operating profit amounted to £22.0m compared with £16.0m in 2007. With the benefit of a six month contribution from the Nordic group, underlying² port operating profit increased by 38% from £16.5m to £22.8m, whilst the property business recorded a modest loss of £0.4m comparable to the first half of 2007 (£0.5m). The focus in property remained on the Leith Docks Outline Planning Application ("LDOPA") where significant progress has been made. Profit before tax amounted to £9.0m compared with £12.0m in 2007 reflecting a £7.5m reduction in value at Ocean Terminal (2007 - £nil) as a result of a movement in commercial property yields. Basic earnings per share amounted to 10.4p (2007 - 24.5p) with underlying earnings per share³ up 12% at 27.5p (2007 - 24.5p).

The Board has approved an interim dividend up 5.4% to 16.6p per share (2007 - 15.75p). The interim dividend will be paid on 7th November 2008 to shareholders on the register at 10th October 2008.

Review of Ports Business

The strong growth in our ports business was achieved with good performances in each of the divisions and after absorbing an additional £0.5m of fuel costs in the first half. Revenue increased by 23% to £89.4m (2007 - £72.4m). Underlying¹ operating profit increased by 38% to £22.8m.

Total tonnage increased by 5% to 24.3 million tonnes compared with 23.1 million tonnes in 2007. Piped cargo tonnages increased by 7% to reach 17.3 million tonnes compared with 16.1 million tonnes in 2007. Dry cargo tonnage remained steady at 7 million tonnes.

Tilbury

Tilbury had a good first half. Whilst the tonnage through the port was marginally up at 4.1 million tonnes, the port's financial result increased significantly reflecting the benefit of secure contracts, a better mix of cargo and a tight control of costs. The ro-ro traffic continued to expand and saw a 30% increase in unit traffic. Although grain tonnages were slightly lower at 0.3 million tonnes, there was a greater volume of imports which enhanced returns. The short-sea container terminal marginally increased its box numbers and the bulk terminal increased throughputs by nearly 30% in the first half of the year.

Tilbury Container Services Limited increased its volumes by 26% to reach over 179,000 boxes with the addition of several new customers. It also benefited from a temporary transfer of ships from other ports which were congested.

As of 1st April 2008, four of the port's Finnish customers transferred their business to another of the port's customers, Stanton Grove. This latter company has leased the three Finnish Terminal sheds and other temporary accommodation. The port continues to handle the ship side work for Stanton Grove. With the increase in rent from the new operation, we expect to improve the financial performance from this asset.

Tilbury has made its final submission in support of its bid to become the East London Logistics Centre for the Olympics. A decision is expected in September. We have been informed that a number of our customers have been successful at the pre-qualifying stage of bidding for timber and plywood contracts for the Olympics.

Work is progressing well on the new Cemex grinding and blending facility which remains on course for completion in 2008. We have agreed to lease a further area for lorry parking to Cemex which should be handed over by the end of this year.

² The word "underlying" is defined in Note 20.

³ Underlying earnings per share is defined in Note 11.

In February we acquired 65 acres of land just outside the port. Thurrock Council and Thurrock Thames Gateway Development Corporation are currently reviewing the land uses in the area. We have put forward a strong case to develop the land and have it rezoned for port expansion which will create further employment within the Thames Gateway.

Nordic

The Nordic business performed well and in line with expectations in the first half of 2008. There was a significant increase in the volume of recycling materials going through the Material Recycling Facility (“MRF”) at Tilbury where a second shift was introduced at the beginning of the year and a third shift introduced in the second quarter.

Nordic’s joint venture company in Lincolnshire has won a contract to provide recycling facilities for Lincolnshire County Council. Initially, the recycled material is being passed through the MRF at Tilbury until such time as a new facility can be built in Lincolnshire. The planning application for the new facility is currently with the Council.

We intend to pursue a number of opportunities to expand the Nordic business by investment and/or acquisition over the course of the next few years.

Scottish Ports

The financial performance improved due to better revenue generation and a tight control of operating costs. The total throughput amounted to 6 million tonnes (2007 – 6.5 million tonnes). Within this figure, the dry cargo tonnage fell by 0.4 million tonnes to 2.5 million tonnes whilst the piped cargo tonnage reduced marginally to 3.5 million tonnes (2007 – 3.6 million tonnes). The modest reduction in piped cargo was attributable to a longer than expected start up period after the three day strike at INEOS; the dry cargo was affected by the reduction in coal tonnages at Rosyth and Leith.

Grangemouth

The total throughput at Grangemouth amounted to 4.5 million tonnes, up marginally on 2007. Container volumes reached their highest level ever with a total of around 75,000 boxes handled in the first half of 2008 compared with 64,500 units in 2007, an increase of 16%. Although timber and paper & pulp were up in tonnage terms, the iron and steel tonnages were lower in the first half of 2008 compared with the first half of 2007.

A five year extension to the existing contract has been concluded with INEOS in respect of most of their volume through Grangemouth.

Leith

Leith handled 0.9 million tonnes compared with 1 million tonnes in the first half of 2007. Coal tonnages were lower by 0.2 million tonnes, however there was an increase in aggregates and new contracts for Bredero Shaw which resulted in the importation of iron ore and steel pipes in the first half of 2008. It is expected that the additional volume for Bredero Shaw will compensate for a reduced coal tonnage in the second half.

Dundee

Dundee tonnages were steady at 0.5 million tonnes. The second new grain drier has been commissioned this month to meet the demands of the increased grain tonnages contracted through the port in the second half of this year.

Rosyth and Fife Ports

It was announced, during the first half, that the Superfast passenger/freight ferry service between Rosyth and Zeebrugge would cease with effect from the middle of September. This will have no material effect on the port's performance. Strenuous efforts are being made to find a replacement shipping line for this route. We are currently in discussions with potential operators who may be able to provide an alternative service.

Other customer enquiries for Rosyth are at an advanced stage.

Piped Cargo

Piped cargo tonnages increased to their highest level for four years with throughputs of 12.1 million tonnes at Hound Point (2007 – 11.1 million tonnes) and 1.7 million tonnes at Braefoot Bay (2007 – 1.4 million tonnes).

Property

We continue to make planning and physical progress in our property business. Our work in the first half of 2008 has been focused on the LDOPA which was submitted to City of Edinburgh Council ("CEC") in September 2007.

We are delighted that CEC approved the LDOPA at a meeting of the Planning Committee on 27th August. This is a significant step forward in laying the foundations for the long-term regeneration of Edinburgh's Waterfront. The next steps in the process are a referral of this decision to the Scottish Government and a conclusion of a detailed Section 75 Agreement (contribution to public facilities). As part of this approval, both parties have committed to examining alternative public-private mechanisms for funding infrastructure costs related to the Waterfront such as Tax Incremental Financing. A case for such funding will be made shortly to the Scottish Government. Further details regarding the decision can be found in a separate RNS announcement made yesterday.

We have worked closely with CEC and other consultative bodies to ensure that the views expressed on the planning application have been considered as fully as possible. As one example, we have had extensive discussions with Scottish Natural Heritage ("SNH") concerning the tern colony which is located within the operational port of Leith. Having convened a scientific panel by agreement with SNH, the proposed outcome will reduce the original density of the LDOPA by some 700 units to take account of the habitat requirements of the birds. This has also resulted in a reassessment of where some of the public realm areas within the development should be placed.

Work on the Hub masterplan is now close to completion. It is a mixed use development encompassing the first two villages of the Leith Docks development and will include residential, hotel, commercial and retail space. We expect the planning and design statement to be finalised shortly and a planning application to be lodged before the end of the year. We will then commence the marketing of the scheme as we seek a development partner.

The ASDA supermarket is progressing well on the site at Western Harbour and should be open for business before Christmas. A new bus service has been introduced by Lothian Buses to the Western Harbour development which will enable residents to commute quickly to the city centre. The reclamation area at Western Harbour is almost completely reclaimed and plans are well advanced to start work on the central park area towards the end of the year. Work is also progressing on schedule on the tram link to the Waterfront from the city centre.

Work is progressing on the planning application for the new entrance for Ocean Terminal. We have worked with Transport Initiatives Edinburgh to design the new tram plaza area outside the shopping centre. When the tram starts operation in 2011, this should have a very positive effect on footfall in Ocean Terminal.

The UK property market generally, and the residential market in particular, has experienced a further downturn this year. We therefore believe that, despite the positive effect of planning and physical progress on our development assets, there is likely to be a reduction in the market value of these assets (including Ocean Terminal) when they are valued at the year end. This expectation reflects the belief that there will be a deferral of disposals and that where disposals occur, they will be at lower levels than had been previously assumed. Based on expected house price declines in the current year, land values are generally thought to be down in a range of between 15% and 30%.

The Directors have taken advice on the Market Value of Ocean Terminal from Drivers Jonas, Chartered Surveyors, who are the independent valuers of Ocean Terminal. On that advice, the Directors have reduced the Group's share of the valuation by £7.5m to take account of a movement in the yield since the last full valuation in December 2007. As normal, a formal independent valuation of Ocean Terminal will be carried out by Drivers Jonas at the year end.

In September 2005, we stated that we were pursuing a strategy of maximising asset value rather than realising short-term profits at the expense of this primary aim. This strategy has not changed and we remain firm that there will be no sales of development plots for the next few years. At the same time, we emphasised our belief that a measured approach to infrastructure development spend was required to create a new waterfront destination. Given the current conditions in the property market, we have reassessed the timing and focus of our spend over the next few years and have deferred it by over £40m which should result in a spend of around £30m in the three year period 2008/10. The focus of our spend in the next two years will be: securing planning consents, investing in Ocean Terminal and the tram link to the Waterfront and improving the physical environment at Western Harbour. This approach remains consistent with our strategy of maximising asset value.

Energy

At the end of June, we were pleased to announce the formation of a strategic partnership with Scottish and Southern Energy plc ("SSE") to develop renewable energy projects. The first joint venture company will be formed to build, own and operate four 2 megawatt wind turbines in the Port of Tilbury where planning approval was granted in May. With the benefit of SSE's supplier connections, it is hoped that the four wind turbines will be commissioned and in operation by the second half of 2009 at a total cost of approximately £12m. This green energy will account for over 25% of Tilbury's electricity requirement.

The strategic partnership with SSE will also look at other renewable energy projects of up to 200 megawatts for our extensive property development opportunities at Leith and also within our Scottish Ports, particularly Grangemouth, Dundee and Methil. These opportunities include multi-fuel plants as well as wind generation opportunities.

Finance

The three warehouses which constituted the Finnish Terminal asset at Tilbury were leased out in April of this year. As a result, the assets were transferred from operational land and buildings to investment property producing an uplift in value of £24.5m which was put through the Statement of Recognised Income and Expense, increasing the total fair value of investment property to over £221m at 30th June 2008.

The Directors have received advice from Bidwells, Property Consultants, on the fair value of the Group's investment property. Whilst the commercial property market has seen yields move out since the end of last year, given patterns of demand for port facilities and higher levels of activity within the ports business, the Directors do not believe that there has been a material change in the overall fair value of the investment property between that date and the half year. The properties within this category are nearly all held for the long-term and are an integral part of the ports business.

The net debt at the half year amounted to £213.2m compared with £205.5m at 31st December 2007. The total banking facilities were increased by £50m during the half year and now stand at £300m. Of this, a revolving credit facility of £100m is due to be repaid on 30th June 2009. Negotiations have commenced to replace this facility. The level of gearing at 30th June amounted to 75% (2007 – 77%). Interest cover, measured on net interest payable excluding the effects of the unwinding of the discount on zero coupon loan stock and long-term receivables, was 3.1 times covered (2007 – 3.1 times).

The effective corporation tax rate for the half year is 28.5%. The estimate for the full year is an effective tax rate of more than 100%. This takes account of the decision by the Government to abolish industrial buildings allowances over the next three years which, in itself, will result in an additional tax charge this year of £26.3m to reflect the abolition of this very significant corporation tax allowance.

The actuarial deficit at the half year under IAS 19 (Employee Benefits) amounted to £24.9m compared with a deficit of £6.5m in 2007. The increase in the deficit reflects the change in liability assumptions to reflect the appropriate discount rate, increased price inflation and salary growth levels together with an upward adjustment to the mortality assumption. The deficit also incorporates the reduction in the fair value of the pension scheme assets at the half year.

The cash inflow generated from operations amounted to £32.1m (2007 - £33.6m). The capital expenditure spend in the first half of 2008 amounted to £14.4m compared with £5.6m in 2007. The most significant expenditure was £10.8m for the acquisition of the additional land at Tilbury. Property infrastructure spend in the same period was £2.5m (2007 - £7m).

Prospects

Our ports business performed strongly in the first half of 2008. We believe that the security and breadth of our business is resilient to more challenging economic conditions. New areas of activity in Nordic and energy, coupled with a strong project pipeline, give us exciting opportunities to grow earnings to generate further value for shareholders. We remain confident of further planning progress within our property portfolio and the building of the physical infrastructure which will continue to support our commitment to the realisation of long-term value from our property business.

Overall we remain confident that the Group should have another successful year.

Christopher Collins
CHAIRMAN

Charles Hammond
GROUP CHIEF EXECUTIVE

28th August 2008

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Unaudited six months to 30.6.08 £m	Unaudited six months to 30.6.07 £m	Audited year to 31.12.07 £m
Group revenue	5	90.1	74.4	165.0
Cost of sales		(56.1)	(47.0)	(102.6)
Gross profit		34.0	27.4	62.4
Administrative expenses		(12.0)	(11.4)	(25.4)
Other income		-	-	12.8
Group operating profit	5	22.0	16.0	49.8
Finance income	5,6	1.0	1.4	3.1
Finance costs	5,6	(7.3)	(5.5)	(13.4)
Share of post-tax results of joint ventures	5,7	(8.3)	(0.9)	(9.7)
Share of post-tax results of associate	5,8	1.6	1.0	2.5
Profit before tax	9	9.0	12.0	32.3
Taxation	10	(4.4)	(1.0)	(7.4)
Profit for the period		4.6	11.0	24.9
Loss attributable to minority interest		(0.1)	(0.1)	(0.2)
Profit attributable to equity shareholders		4.7	11.1	25.1
		4.6	11.0	24.9
Earnings per share				
Basic earnings per share	11	10.4p	24.5p	55.3p
Diluted earnings per share	11	10.3p	24.3p	54.9p

Details of dividends are shown in Note 16.

All results relate to continuing activities.

CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

	Unaudited six months to 30.6.08 £m	Unaudited six months to 30.6.07 £m	Audited year to 31.12.07 £m
Share of joint venture's movement on cash flow hedge	0.2	0.5	0.2
Share of associate's movement on cash flow hedge	0.0	0.0	0.0
Corporation tax on excess pension contributions	0.4	-	-
Deferred tax on excess pension contributions	(0.4)	-	-
Actuarial (loss)/gain in defined benefit pension scheme	(26.0)	10.8	12.6
Deferred tax on actuarial (loss)/gain	7.3	(3.0)	(3.5)
Revaluation of investment property transferred from operational land and buildings (Note 12)	24.5	-	5.7
Deferred tax on revaluation	(6.9)	-	(1.1)
Effect of tax rate change for deferred tax on actuarial gain	-	(0.4)	(0.6)
Share of associate's actuarial (loss)/gain in defined benefit pension scheme	(0.0)	0.0	(0.3)
Deferred tax on associate's actuarial (loss)/gain	0.0	(0.0)	0.1
Effect of tax rate change for deferred tax on associate's actuarial loss	-	-	(0.0)
(Expense)/income recognised directly in equity	(0.9)	7.9	13.1
Profit for the period	4.6	11.0	24.9
Total recognised income for the period	3.7	18.9	38.0
Attributable to:			
Minority interest	(0.1)	(0.1)	(0.2)
Equity shareholders	3.8	19.0	38.2
	3.7	18.9	38.0

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	Unaudited as at 30.6.08 £m	Unaudited as at 30.6.07 £m	Audited as at 31.12.07 £m
ASSETS				
Non-current assets				
Property, plant and equipment	12	217.4	221.8	223.1
Investment property	12	221.1	164.1	182.9
Intangible assets	12	40.9	40.8	41.6
Investment in joint ventures		-	9.1	0.0
Investment in associate		10.9	8.7	9.3
Trade and other receivables		22.0	20.6	21.3
Deferred tax assets		7.0	1.8	0.1
		519.3	466.9	478.3
Current assets				
Inventories		53.6	49.3	50.7
Trade and other receivables		42.4	58.8	47.9
Cash and cash equivalents	15	6.6	8.7	7.3
		102.6	116.8	105.9
LIABILITIES				
Current liabilities				
Trade and other payables		(28.2)	(30.8)	(27.4)
Current tax liabilities		(3.8)	(0.4)	(3.3)
Borrowings	15	(44.9)	(4.1)	(0.1)
Provisions		(1.2)	(0.9)	(1.2)
		(78.1)	(36.2)	(32.0)
Net current assets				
		24.5	80.6	73.9
Non-current liabilities				
Borrowings	15	(174.9)	(221.8)	(212.7)
Investment in joint ventures		(8.6)	(0.5)	(0.5)
Deferred tax liabilities		(49.6)	(35.8)	(42.8)
Retirement benefit obligations	18	(24.9)	(6.5)	(0.5)
Provisions		(0.3)	(0.3)	(0.4)
		(258.3)	(264.9)	(256.9)
Total assets less total liabilities				
		285.5	282.6	295.3
SHAREHOLDERS' EQUITY				
Share capital		22.8	22.8	22.8
Share premium		19.2	19.2	19.2
Own shares held		(4.9)	(5.2)	(5.2)
Fair value and other reserves		17.9	18.0	17.7
Retained earnings		228.1	225.2	238.3
Total shareholders' equity		283.1	280.0	292.8
Minority interest in equity		2.4	2.6	2.5
Total equity				
	13	285.5	282.6	295.3

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Notes	Unaudited six months to 30.6.08 £m	Unaudited six months to 30.6.07 £m	Audited year to 31.12.07 £m
Cash flows from operating activities				
Cash generated from operations	14	32.1	33.6	65.8
Interest paid		(7.5)	(5.4)	(12.8)
Interest received		0.2	0.2	1.0
Tax paid		(3.6)	(2.3)	(2.3)
Dividend received from associated company		-	-	0.7
Net cash generated from operating activities		21.2	26.1	52.4
Cash flows from investing activities				
Purchase of property, plant and equipment and intangibles		(14.4)	(5.6)	(13.4)
Purchase of investment property		(0.2)	(0.5)	(0.6)
Acquisition of subsidiary		-	(28.1)	(27.1)
Cash acquired with subsidiary		-	0.3	0.8
Repayment of subsidiary's borrowings		-	(12.9)	(13.9)
Expenses of sale of interest in joint venture		-	(0.2)	(0.2)
Sale of property, plant and equipment		0.1	0.0	0.1
Net cash used in investing activities		(14.5)	(47.0)	(54.3)
Net cash inflow/(outflow) before financing activities		6.7	(20.9)	(1.9)
Cash flows from financing activities				
New loans advanced		50.0	-	-
Arrangement fees for new loans		(0.1)	-	-
Existing loan (repayments)/drawdowns		(43.0)	40.0	31.0
Capital element of finance leases		(0.0)	-	(0.1)
Minority interest dividends paid		-	(1.6)	(1.6)
Equity dividends paid	16	(14.6)	(13.8)	(20.9)
Proceeds from sale of own shares held		0.3	0.1	0.1
Repayment of loan notes		-	-	(4.2)
Net cash (used in)/generated from financing activities		(7.4)	24.7	4.3
(Decrease)/increase in cash and cash equivalents		14	3.8	2.4
Cash and cash equivalents at start of period		7.3	4.9	4.9
Cash and cash equivalents at end of period		15	8.7	7.3

NOTES:

1. General information

Forth Ports PLC is a company incorporated in Scotland under the Companies Act 1985. The nature of the Group's operations and its principal activities are the provision of port, cargo handling, towage and related services and facilities. The Group also has extensive property interests.

These condensed consolidated interim financial statements have been approved for issue by the Board of Directors on 28th August 2008.

2. Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30th June 2008 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34 (Interim Financial Reporting) as adopted by the European Union. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31st December 2007 which have been prepared in accordance with IFRSs as adopted by the European Union.

3. Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31st December 2007.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1st January 2008 but have no material impact on the results of the Group.

- IFRIC 11, (IFRS 2 – Group and Treasury Share Transactions).
- IFRIC 12, (Service Concession Arrangements).
- IFRIC 14, (IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction).

The following new standards, amendments to standards and interpretations have been issued, but are not effective, for the financial year beginning 1st January 2008 and have not been early adopted:

- IFRS 8, (Operating Segments), effective for annual periods beginning on or after 1st January 2009. IFRS 8 replaces IAS 14, (Segment Reporting), and requires a “management approach” under which segment information is presented on the same basis as that used for internal reporting purposes. The expected impact is still being assessed in detail, but it is currently envisaged that there will be no change to the number of reported segments.
- IAS 23 (amendment), (Borrowing Costs), effective for annual periods beginning on or after 1st January 2009. The main effect of this will be that the Property Division will commence capitalisation of interest costs relating to qualifying property development projects.
- IFRS 2 (amendment), (Share-based Payment), effective for annual periods beginning on or after 1st January 2009. Management is assessing the impact of changes to vesting conditions and cancellations on the Group's SAYE scheme.
- IFRS 3 (amendment), (Business Combinations) and consequential amendments to IAS 27, (Consolidated and Separate Financial Statements), IAS 28 (Investments in Associates) and IAS 31 (Interests in Joint Ventures), effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July 2009. Management is assessing the impact of the new requirements regarding acquisition accounting, consolidation and associates and joint ventures on the Group.
- IAS 1 (amendment), (Presentation of Financial Statements), effective for annual periods beginning on or after 1st January 2009. Management is assessing the effects of the revised disclosure requirements of this standard.

- IAS 32 (amendment), (Financial Instruments: Presentation), and consequential amendments to IAS 1, (Presentation of Financial Statements), effective for annual periods beginning on or after 1st January 2009. This is not relevant to the Group, as the Group does not have any puttable instruments.
- IFRIC 13, (Customer Loyalty Programmes), effective for annual periods beginning on or after 1st July 2008. This will have no effect on the Group.

4. Risk

The principal risks and uncertainties which affect the Group have not changed since 31st December 2007. A detailed explanation of those risks and uncertainties can be found in the Business Review section of the Annual Report and Accounts for the year ended 31st December 2007. The Directors consider that this properly reflects the risks and uncertainties in respect of the second six months of 2008.

5. Segment information

Primary reporting format - business

For management purposes, the Group is organised into two business segments:

- (1) Port operations; and
- (2) Property.

The segment results for the period ended 30th June 2008 were as follows:-

	Port Operations £m	Property £m	Unaudited six months to 30.6.08 £m
Total gross segment revenue	89.4	0.7	90.1
Inter-segment revenue	<u>(0.0)</u>	<u>(0.0)</u>	<u>(0.0)</u>
Total revenue	<u>89.4</u>	<u>0.7</u>	<u>90.1</u>
Operating profit/(loss)/Segment result before elimination of inter-segment charge	22.4	(0.4)	22.0
Inter-segment charge eliminated	<u>(0.0)</u>	<u>0.0</u>	—
Operating profit/(loss)/Segment result	22.4	(0.4)	22.0
Finance income (Note 6)	0.2	0.8	1.0
Finance costs (Note 6)	(5.6)	(1.7)	(7.3)
Net share of results of joint ventures (Note 7)	-	(8.3)	(8.3)
Net share of results of associate (Note 8)	<u>1.6</u>	—	<u>1.6</u>
Profit/(loss) before tax	<u>18.6</u>	<u>(9.6)</u>	9.0
Taxation			<u>(4.4)</u>
Profit for the period			<u>4.6</u>

The segment results for the period ended 30th June 2007 were as follows:-

	Port Operations £m	Property £m	Unaudited six months to 30.6.07 £m
Total gross segment revenue	72.5	2.0	74.5
Inter-segment revenue	<u>(0.1)</u>	<u>(0.0)</u>	<u>(0.1)</u>
Total revenue	<u>72.4</u>	<u>2.0</u>	<u>74.4</u>
Operating profit/(loss)/Segment result before elimination of inter-segment charge	16.6	(0.6)	16.0
Inter-segment charge eliminated	<u>(0.1)</u>	<u>0.1</u>	—
Operating profit/(loss)/Segment result	16.5	(0.5)	16.0
Finance income (Note 6)	0.3	1.1	1.4
Finance costs (Note 6)	(4.0)	(1.5)	(5.5)
Net share of results of joint ventures (Note 7)	-	(0.9)	(0.9)
Net share of results of associate (Note 8)	<u>1.0</u>	—	<u>1.0</u>
Profit/(loss) before tax	<u>13.8</u>	<u>(1.8)</u>	12.0
Taxation			<u>(1.0)</u>
Profit for the period			<u>11.0</u>

Inter-segment transfers and transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

Other segment items included in the Condensed Consolidated Income Statement are as follows:-

	Port Operations £m	Property £m	Unaudited six months to 30.6.08 £m	Port Operations £m	Property £m	Unaudited six months to 30.6.07 £m
Depreciation of property, plant and equipment	(7.0)	(0.0)	(7.0)	(6.7)	(0.0)	(6.7)
Amortisation of intangibles	(0.7)	-	(0.7)	(0.5)	-	(0.5)
Amortisation of capital grants	0.3	-	0.3	0.4	-	0.4
Impairment of trade receivables	(0.0)	(0.0)	(0.0)	(0.4)	-	(0.4)

The segment assets and liabilities were as follows:-

	Port Operations £m	Property £m	Unaudited six months to 30.6.08 £m
Assets			
Segment assets	525.4	85.6	611.0
Associates	<u>10.9</u>	<u>-</u>	<u>10.9</u>
Total assets	<u>536.3</u>	<u>85.6</u>	<u>621.9</u>
Liabilities			
Segment liabilities	222.4	52.0	274.4
Income tax liabilities	53.0	0.4	53.4
Joint ventures	<u>-</u>	<u>8.6</u>	<u>8.6</u>
Total liabilities	<u>275.4</u>	<u>61.0</u>	<u>336.4</u>

	Port Operations £m	Property £m	Unaudited six months to 30.6.07 £m
Assets			
Segment assets	474.2	91.7	565.9
Joint ventures	-	9.1	9.1
Associates	<u>8.7</u>	<u>-</u>	<u>8.7</u>
Total assets	<u>482.9</u>	<u>100.8</u>	<u>583.7</u>
Liabilities			
Segment liabilities	209.1	55.3	264.4
Income tax liabilities	35.9	0.3	36.2
Joint ventures	<u>-</u>	<u>0.5</u>	<u>0.5</u>
Total liabilities	<u>245.0</u>	<u>56.1</u>	<u>301.1</u>

Segment information for the year ended 31st December 2007 is as disclosed in the full financial statements.

Secondary reporting format - geographical segments

The Group operates solely in the UK.

6. Finance costs - net

Finance income and costs analysed by business segment are as follows:

	Unaudited six months to 30.6.08 £m	Unaudited six months to 30.6.07 £m	Audited year to 31.12.07 £m
Finance income			
Port operations			
- on bank and other deposits	0.1	0.2	0.7
- interest on overpaid corporation tax	0.1	-	0.2
- write down of loan notes to amortised cost	-	0.1	0.1
Property			
- on bank and other deposits	0.1	0.0	0.1
- unwinding of discount on zero coupon loan stock at amortised cost	0.7	0.6	1.3
- unwinding of discount on long-term receivables at amortised cost	-	0.5	0.7
Total finance income	1.0	1.4	3.1
Finance costs			
Port operations			
- on bank loans	(5.4)	(3.9)	(9.4)
- on other loans	(0.0)	(0.0)	(0.0)
- on loan notes	-	(0.0)	(0.1)
- on finance leases	(0.0)	(0.0)	(0.0)
- amortisation of loan arrangement fees	(0.1)	(0.1)	(0.2)
- unwinding of discount on loan notes	-	-	(0.1)
- interest on underpaid corporation tax	(0.1)	-	-
Property			
- on bank loans	(1.7)	(1.5)	(3.6)
Total finance costs	(7.3)	(5.5)	(13.4)
Net finance costs			
Port operations	(5.4)	(3.7)	(8.8)
Property	(0.9)	(0.4)	(1.5)
	(6.3)	(4.1)	(10.3)

7. Share of post-tax results of joint ventures

	Unaudited six months to 30.6.08 £m	Unaudited six months to 30.6.07 £m	Audited year to 31.12.07 £m
Property			
Operating (loss)/profit	(6.1)	1.2	(5.5)
Finance costs	(2.2)	(2.1)	(4.2)
Taxation	-	-	-
Group's share of post-tax results	(8.3)	(0.9)	(9.7)

8. Share of post-tax results of associate

	Unaudited six months to 30.6.08 £m	Unaudited six months to 30.6.07 £m	Audited year to 31.12.07 £m
Port operations			
Operating profit	2.4	1.4	3.7
Finance costs	(0.2)	(0.1)	(0.3)
Taxation	(0.6)	(0.3)	(0.9)
Group's share of post-tax results	1.6	1.0	2.5

9. Profit before tax

Profit before tax is stated after crediting:

	Unaudited six months to 30.6.08 £m	Unaudited six months to 30.6.07 £m	Audited year to 31.12.07 £m
Increase in fair value of investment properties - other income	-	-	(12.8)

- 10.** The taxation charge for the six months to 30th June 2008 has been provided on the basis of the estimated effective tax rate for the year to 31st December 2008 being 28.5%. A number of changes to the UK corporation tax system were announced in the March 2007 Budget Statement and were enacted in the 2007 and 2008 Finance Acts. The changes reflected in Finance Act 2008 were substantially enacted on 2nd July 2008 and are therefore not included within these interim statements. The changes to the industrial buildings allowances available will result in an increase of deferred tax liabilities recognised in respect of land and buildings. The increase will be recognised in the second half of 2008 and is estimated at £26.3m; it will be recognised in the Income Statement and will take the effective rate of tax for the full year to over 100%.
- 11.** The basic earnings per share calculation is based on the weighted average of Ordinary Shares in issue in the six months ended 30th June 2008 of 45.4 million (2007 – 45.3 million). The diluted earnings per share figure is based on the weighted average of Ordinary Shares in issue adjusted for potential dilutive Ordinary Shares in the six months ended 30th June 2008 of 45.8 million (2007 – 45.6 million). Underlying earnings per share excludes the effect on profit attributable to shareholders of the Group's share of any revaluation of joint venture's investment property and the amortisation charge arising from acquisitions. The number of shares used in the calculation of underlying earnings per share is the same as that used for basic earnings per share.

12. Movements in property, plant and equipment, investment property and intangible assets

	Property, plant and equipment £m	Investment property £m	Intangible assets £m
Six months ended 30th June 2007			
Opening net book amount at 1st January 2007	213.3	164.1	3.7
Additions	5.4	0.0	0.0
Acquired on purchase of subsidiary	9.4	-	37.6
Transfers between asset categories	0.0	(0.0)	-
Depreciation and amortisation (net of grant amortisation)	(6.3)	-	(0.5)
Disposals	<u>(0.0)</u>	<u>-</u>	<u>-</u>
Closing net book amount at 30th June 2007	<u>221.8</u>	<u>164.1</u>	<u>40.8</u>
Year ended 31st December 2007			
Opening net book amount at 1st January 2007	213.3	164.1	3.7
Additions	12.6	0.1	0.1
Acquired on purchase of subsidiary	9.4	-	39.3
Transfers between asset categories	1.0	0.2	-
Depreciation and amortisation (net of grant amortisation)	(13.2)	-	(1.5)
Disposals	(0.0)	(0.0)	-
Increase in fair value – to Income Statement	-	12.8	-
– to reserves	<u>-</u>	<u>5.7</u>	<u>-</u>
Closing net book amount at 31st December 2007	<u>223.1</u>	<u>182.9</u>	<u>41.6</u>
Six months ended 30th June 2008			
Opening net book amount at 1st January 2008	223.1	182.9	41.6
Additions	14.6	0.2	0.0
Transfers between asset categories	(13.5)	13.5	-
Depreciation and amortisation (net of grant amortisation)	(6.7)	-	(0.7)
Disposals	(0.1)	(0.0)	-
Increase in fair value – to reserves	<u>-</u>	<u>24.5</u>	<u>-</u>
Closing net book amount at 30th June 2008	<u>217.4</u>	<u>221.1</u>	<u>40.9</u>

13. Consolidated statement of changes in shareholders' equity

	Attributable to equity holders of the Company					Minority interest	Total equity
	Share capital £m	Share premium £m	Own shares held £m	Fair value and other reserves £m	Retained earnings £m	£m	£m
Balance at 1st January 2007	22.8	18.2	(5.3)	17.5	220.0	4.3	277.5
Share of joint venture's movement on cash flow hedge	-	-	-	0.5	-	-	0.5
Share of associate's movement on cash flow hedge	-	-	-	0.0	-	-	0.0
Actuarial gain on defined benefit pension scheme	-	-	-	-	10.8	-	10.8
Deferred tax on actuarial gain	-	-	-	-	(3.0)	-	(3.0)
Effect of tax rate change for deferred tax on actuarial gain	-	-	-	-	(0.4)	-	(0.4)
Share of associate's actuarial gain on defined benefit pension scheme	-	-	-	-	0.0	-	0.0
Deferred tax on associate's actuarial gain	-	-	-	-	(0.0)	-	(0.0)
Net income recognised directly in equity	-	-	-	0.5	7.4	-	7.9
Profit/(loss) for the period	-	-	-	-	11.1	(0.1)	11.0
Total recognised income/(expense) for the period	-	-	-	0.5	18.5	(0.1)	18.9
New shares issued in period	0.0	1.0	-	-	-	-	1.0
LTIP shares - value of services provided	-	-	-	-	0.3	-	0.3
SAYE scheme - value of services provided	-	-	-	-	0.1	-	0.1
Consideration received for own shares held	-	-	0.1	-	-	-	0.1
Dividends (less dividends received by ESOP)	-	-	-	-	(13.7)	(1.6)	(15.3)
Balance at 1st July 2007	22.8	19.2	(5.2)	18.0	225.2	2.6	282.6
Share of joint venture's movement on cash flow hedge	-	-	-	(0.3)	-	-	(0.3)
Share of associate's movement on cash flow hedge	-	-	-	0.0	-	-	0.0
Revaluation of investment property transferred from operational land and buildings	-	-	-	-	5.7	-	5.7
Deferred tax on revaluation	-	-	-	-	(1.1)	-	(1.1)
Actuarial gain on defined benefit pension scheme	-	-	-	-	1.8	-	1.8
Deferred tax on actuarial gain	-	-	-	-	(0.5)	-	(0.5)
Effect of tax rate change for deferred tax on actuarial gain	-	-	-	-	(0.2)	-	(0.2)
Share of associate's actuarial loss on defined benefit pension scheme	-	-	-	-	(0.3)	-	(0.3)
Deferred tax on associate's actuarial loss	-	-	-	-	0.1	-	0.1
Effect of tax rate change for deferred tax on associate's actuarial loss	-	-	-	-	(0.0)	-	(0.0)
Net (expense)/income recognised directly in equity	-	-	-	(0.3)	5.5	-	5.2
Profit/(loss) for the period	-	-	-	-	14.0	(0.1)	13.9
Total recognised (expense)/income for the period	-	-	-	(0.3)	19.5	(0.1)	19.1
LTIP shares - value of services provided	-	-	-	-	0.6	-	0.6
SAYE scheme - value of services provided	-	-	-	-	0.1	-	0.1
Dividends (less dividends received by ESOP)	-	-	-	-	(7.1)	-	(7.1)
Balance at 31st December 2007	22.8	19.2	(5.2)	17.7	238.3	2.5	295.3
Balance at 1st January 2008	22.8	19.2	(5.2)	17.7	238.3	2.5	295.3
Share of joint venture's movement on cash flow hedge	-	-	-	0.2	-	-	0.2
Share of associate's movement on cash flow hedge	-	-	-	0.0	-	-	0.0
Revaluation of investment property transferred from operational land and buildings	-	-	-	-	24.5	-	24.5
Deferred tax on revaluation	-	-	-	-	(6.9)	-	(6.9)
Corporation tax on excess pension contributions	-	-	-	-	0.4	-	0.4
Deferred tax on excess pension contributions	-	-	-	-	(0.4)	-	(0.4)
Actuarial loss on defined benefit pension scheme	-	-	-	-	(26.0)	-	(26.0)
Deferred tax on actuarial loss	-	-	-	-	7.3	-	7.3
Share of associate's actuarial loss on defined benefit pension scheme	-	-	-	-	(0.0)	-	(0.0)
Deferred tax on associate's actuarial loss	-	-	-	-	0.0	-	0.0
Net income/(expense) recognised directly in equity	-	-	-	0.2	(1.1)	-	(0.9)
Profit/(loss) for the period	-	-	-	-	4.7	(0.1)	4.6
Total recognised income/(expense) for the period	-	-	-	0.2	3.6	(0.1)	3.7
LTIP shares - value of services provided	-	-	-	-	0.6	-	0.6
SAYE scheme - value of services provided	-	-	-	-	0.1	-	0.1
Consideration received for own shares held	-	-	0.3	-	-	-	0.3
Dividends (less dividends received by ESOP)	-	-	-	-	(14.5)	-	(14.5)
Balance at 30th June 2008	22.8	19.2	(4.9)	17.9	228.1	2.4	285.5

14. Reconciliation of profit before tax to cash generated from operations

	Unaudited six months to 30.6.08 £m	Unaudited six months to 30.6.07 £m	Audited year to 31.12.07 £m
Profit before tax	9.0	12.0	32.3
Adjustments for:			
- increase in fair value of investment properties	-	-	(12.8)
- net finance costs	6.3	4.1	10.3
- share of results of joint ventures	8.3	0.9	9.7
- share of results of associates	(1.6)	(1.0)	(2.5)
- depreciation of property, plant and equipment and amortisation of intangibles	7.4	6.8	14.7
- gain on sale of property, plant and equipment	(0.0)	(0.0)	(0.1)
- (decrease)/increase in provisions	(0.1)	(0.1)	0.3
- decrease in retirement benefit obligations	(1.2)	(0.6)	(3.8)
- transfer to investment properties from inventories	-	-	(1.2)
- share based payment	0.7	0.4	1.1
Movement in working capital:			
Increase in inventories	(2.9)	(6.1)	(7.5)
Decrease in receivables	5.5	13.7	24.8
Increase in payables	0.7	3.5	0.5
Cash generated from operations	32.1	33.6	65.8

Reconciliation of increase in cash and cash equivalents to movement in net debt

(Decrease)/increase in cash and cash equivalents	(0.7)	3.8	2.4
Cash inflow from increase in borrowings	(6.9)	(40.0)	(26.7)
Change in net debt resulting from cash flows	(7.6)	(36.2)	(24.3)
Loan notes issued less write down	-	(4.1)	(4.2)
Borrowings acquired on purchase of subsidiary	-	(0.2)	(0.2)
Amortisation of loan arrangement fees	(0.1)	(0.1)	(0.2)
Movement in net debt	(7.7)	(40.6)	(28.9)
Opening net debt	(205.5)	(176.6)	(176.6)
Closing net debt	(213.2)	(217.2)	(205.5)

Major non-cash transactions

During the six months to 30th June 2007, as part of the consideration for the purchase of the Nordic Group, Forth Ports PLC issued 53,620 ordinary shares with a value of £1.0m and loan notes with a nominal value of £4.2m. The loan notes were redeemed prior to 31st December 2007.

15. Analysis of changes in net debt

	At 1.1.08 £m	Cash flow £m	Other movements £m	At 30.6.08 £m
Cash at bank and on deposit	7.3	(0.7)	-	6.6
Debt due within one year	-	-	(44.9)	(44.9)
Debt due outwith one year	(212.7)	(6.9)	44.8	(174.8)
Borrowings - finance leases	(0.1)	0.0	-	(0.1)
Total net debt	(205.5)	(7.6)	(0.1)	(213.2)

The other movements relate to the reclassification of revolving credit loan repayments (£44.8m) and the amortisation of arrangement fees for bank facilities (£0.1m) respectively.

16. Dividends per share

	Unaudited six months to 30.6.08 pence	Unaudited six months to 30.6.07 pence	Audited year to 31.12.07 pence
Dividends per share			
Final dividend 2007	31.95	-	-
Final dividend 2006	-	30.2	30.2
Interim dividend 2007	-	-	15.75
	31.95	30.2	45.95
	£m	£m	£m
Total paid in respect of dividends (less dividends received by employee share option plan trust)			
Final dividend 2007	14.5	-	-
Final dividend 2006	-	13.7	13.7
Interim dividend 2007	-	-	7.1
	14.5	13.7	20.8

A dividend of 16.6p per share totalling £7.6m is proposed as the interim dividend for 2008. This has not been provided for in the condensed financial statements.

17. Related party transactions

During the six month period ended 30th June 2008, the Group entered into material transactions with related parties as follows:

Nature of Transactions and Related Party	Nature of Relationship	Value of Transactions 2008 £m	Value of Transactions 2007 £m	Amount Receivable at 30.6.08 £m	Amount Receivable at 30.6.07 £m
Management charges, port and other charges		1.1	1.3	0.1	0.4
Tilbury Container Services Limited	Associated company				
Interest and loans		0.7	0.6	22.0	20.6
Ocean Terminal Limited	Joint venture company				

The Group has taken advantage of the exemption from disclosing intra-Group transactions as permitted by IAS 24 (Related Party Disclosures).

18. Retirement benefit obligations – changes in assumptions

As stated in the Annual Report and Accounts for the year ended 31st December 2007, the Group has revised the life expectancy assumptions used in the valuation of pension scheme liabilities. The revised mortality assumption and the other material assumptions used to arrive at the retirement benefit obligation liability at 30th June are as follows:

	As at 30 th June 2008	As at 31 st December 2007
Life expectancy (years)		
Male pensioner currently aged 65	18.6	16.9
Female pensioner currently aged 65	21.4	19.9
Male non-pensioner currently aged 45 (life expectancy from age 65)	19.5	18.6
Female non-pensioner currently aged 45 (life expectancy from age 65)	22.3	21.6
Other actuarial assumptions		
Discount rate	6.70%	5.90%
Price inflation	4.00%	3.25%
Salary growth	5.25%	4.50%

19. Seasonality

The Directors consider that there is no material effect on the Group's business as a result of seasonal factors.

20. Definition of "underlying"

The definition of the word "underlying" in the context of an adjustment to a reported number is as follows:-

- 1) Underlying group/port/property operating profit refers to the reported group/port/property operating profit adjusted to exclude the effect of any revaluation of the investment properties, amortisation charge arising from acquisitions and any one-off significant costs.
- 2) Underlying profit before tax, underlying profit after tax and underlying earnings per share refer to reported profit before tax, reported profit after tax and reported basic earnings per share adjusted as above together with an adjustment for any revaluation of joint venture's investment property.

21. Condensed consolidated interim financial statements

The condensed consolidated interim financial statements are unaudited but have been formally reviewed by the Auditors and their report to the Company is set out on page 24. The financial information contained in this statement does not comprise statutory accounts within the meaning of the phrase as referred to in section 240 of the Companies Act 1985. Full accounts for the year ended 31st December 2007 have been filed with the Registrar of Companies. The report of the Auditors on these accounts was unqualified and did not contain a statement under either section 237(2) or section 237(3) of the Companies Act 1985.

The maintenance and integrity of the Forth Ports PLC website is the responsibility of the Directors; the work carried out by the Auditors does not involve consideration of these matters and, accordingly, the Auditors accept no responsibility for any changes that may have occurred to the Interim Report since it was initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

22. The interim statement will be posted to shareholders on 5th September 2008. Copies will be available from the Company's registered office, Forth Ports PLC, 1 Prince of Wales Dock, Leith, Edinburgh EH6 7DX.

INDEPENDENT REVIEW REPORT TO FORTH PORTS PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30th June 2008, which comprises the income statement, balance sheet, statement of recognised income and expense, cash flow statement and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30th June 2008 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
Edinburgh

28th August 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that this condensed consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8 namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The Directors of Forth Ports PLC are listed in the Forth Ports PLC Annual Report for 31st December 2007.

BY ORDER OF THE BOARD

C.G. Hammond
GROUP CHIEF EXECUTIVE

W.W. Murray
GROUP FINANCE DIRECTOR