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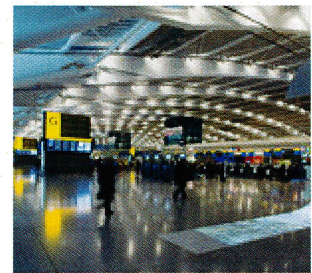
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Heathrow Airport in private GBP 500m refi

Heathrow Airport group reached financial close last week on a new GBP 500m subordinated loan that refinanced an original acquisition facility, *InfraNews* can exclusively reveal.

Details of the transaction, involving the issuances of private placement bonds, have not been disclosed publicly until now.

The new debt, acquired by infrastructure debt funds, replaces loans taken out by Ferrovial to help with its acquisition of the airport in 2006.



Westbourne Capital was the largest investor subscribing for GBP 200m of the GBP 500m raised to facilitate the refinancing. A small number of other institutions acquired the balance. It is the largest single investment made by Westbourne, which has made over 20 infrastructure debt investments made globally. Westbourne itself declined to comment.

The refinancing involved the issuance of two bonds with seven and nine year tenors. Both bonds, which are sub-investment grade, have the same pricing. Pricing details have not been disclosed. The underlying debt had a cost

By issuing the debt privately, Heathrow was able to achieve certainty of execution and pricing in a short timeframe

The original debt forms part of a GBP 963.8m toggle facility raised at the time of the 2006 acquisition by Heathrow subsidiary ADI Finance Limited 1.

It is understood that the remaining portion of debt was comprised of accrued interest which was paid off about a year ago. The original loan had a value of GBP 600m.

ADI sits just below Heathrow's FGP Topco Ltd, the top company within the company's holding structure. ADI has total debts of circa GBP 14m, as of year-end 2011.

The Heathrow group's consolidated debt-to-RAB has fallen from 100% to less than 90% since the 2006 takeover. The new leverage places it more in line with that of UK regulated water holding companies.



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