



Manchester Airports Group

Update Call

April 2014

Introduction



Neil Thompson ACA, CTA – Chief Financial Officer

Joined MAG in 2005, being Commercial FD and then Corporate FD, prior to taking on the role of Chief Financial Officer in March 2011. Neil previously held senior finance roles at The MAN Group and ALSTOM, with responsibility across businesses in the UK, Europe, North America, Canada, India, Singapore and Australia. Prior to the power generation sector, Neil spent seven years in financial practice, specialising in Corporate Finance and M&A transactions, latterly with PricewaterhouseCoopers



Ken O'Toole FCA – Chief Commercial Officer

Ken was appointed as Chief Commercial Officer in January 2012. Prior to that he spent six years with Ryanair Holdings plc, joining initially as Head of Revenue Management and latterly as Director of New Route Development. A qualified Chartered Accountant, his previous experience includes Musgrave Group, a leading Irish and UK based retailer, and Credit Suisse First Boston

Second bond issuance part of MAG's planned long-term financing strategy

MAG has established a long-term financing programme focused on the capital markets

- Planned strategy to refinance the £900m term loan Stansted Acquisition Facility through the issuance of a series of bonds
- Steady state financing structure with core debt in long-term capital markets
- Timing of bond issuance triggered by the delivery of integration and growth drivers – these are ahead of plan
- Inaugural MAGAIR £450m 2034 issued 12 months after the acquisition of Stansted
- The issuance of the second bond brought forward based on strong reception to the debut bond and on MAG's visibility of the next 12 to 24 months of performance and growth
- Build a curve of maturities

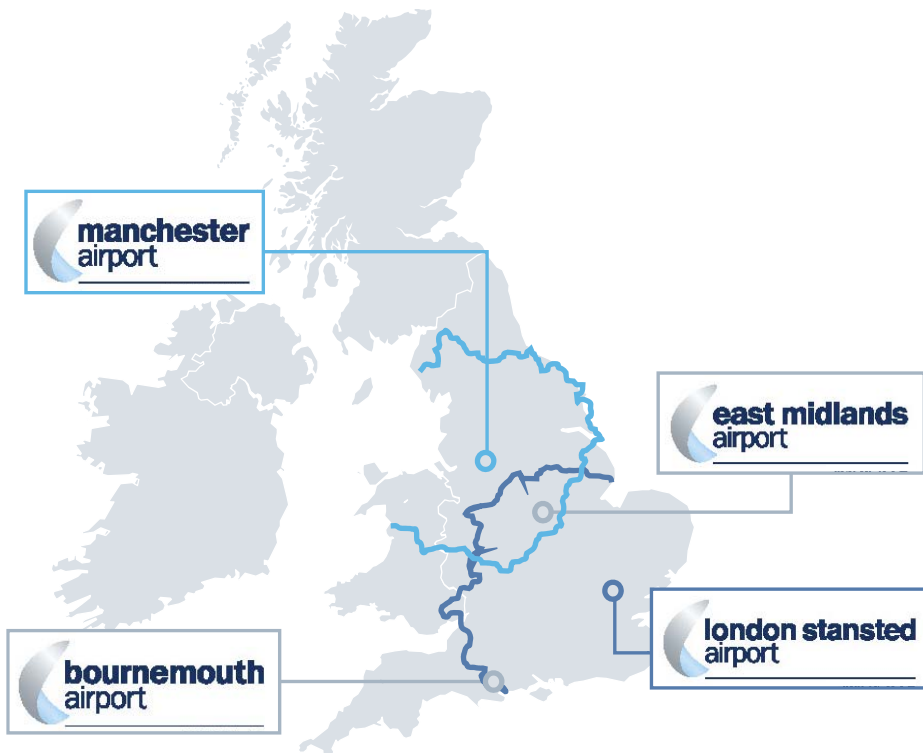
Stansted



Manchester



Strong BBB+ credit and robust financial metrics

MAG is a UK airport group serving 42 million passengers per annum		
A Truly National Airport Group		42m passengers
Long-term, Supportive Shareholders		£638m Revenue
Diversified Mix Of Revenues		£234m EBITDA
Diversified Mix Of Routes		3.6x conservative leverage
Diversified Mix Of Airlines		>50m people in the catchment area
Well-invested infrastructure with Predictable Costs		275 destinations
Experienced Management Team		Strong BBB+ ratings from Moody's and Fitch
MAG has available spare capacity of 25m passengers, including 17m at Stansted. With modest investment spare capacity is 46m passengers.		
Source: MAG Annual report, MAG Pro Forma Consolidated Financial Statements, Prospectus - for the year ended 31 March 2013		

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Continued strong performance and delivery of strategy

MAG remains on track to deliver the commercial and operational strategy described to investors in February

Passenger growth and route development

- MAG continues to grow passenger numbers – up 4.6% to 43.8m for the twelve months to February 2014:
 - MAN: 20.8m (+5.4%)
 - STN: 18.0m (+3.0%)
- Passengers and market share now back on a positive trajectory at Stansted
- Long-term commercial agreements secured with major airlines
- Continued route development; fifty new routes for summer 2014



Stansted integration and terminal transformation

- Investing £40m in the redevelopment of Stansted's terminal with retailers contributing up to another £40m
 - Double retail airside space
 - Improve passenger flows
 - 100% footfall
 - 25,000 sq. ft. walk through Duty Free store
- Terminal transformation proceeding to plan:
 - New security area opened on 22 December 2013
 - Walk through Duty Free store opening in July
 - Tenants for Food & Beverage and Specialist retail units
- IT separation from Heathrow now completed – 5 months ahead of plan
- New car parking products introduced and distribution channels opened
- CAA decision to fully de-regulate Stansted, including cargo, provides cost and commercial yield upside and endorses MAG commercial approach

Indicative Terms

Conservative financing package with comprehensive creditor protections commensurate with peer group issuers

- Full fixed and floating security
- Ability to appoint an administrative receiver
- Liquidity support
- Financial and operating covenants
- Common funding platform with bank and bond creditors pari passu
- Clean hedging position

Terms			
Issuer	Manchester Airport Group Funding plc	Minimum Denominations	£100,000 / £1,000
Borrower	Manchester Airport Group Finance Limited	Security	Full fixed and floating security over assets in the security group
Series	Secured EMTN Programme	Issuance Size	Minimum benchmark
Currency	GBP	Listing	London Stock Exchange
Maturity Profile	Bullet	Coupon Type	Fixed rate
Tenor	[10-12] years	Use of Proceeds	To refinance the Existing Indebtedness on the Initial Issue Date
Expected Issue Rating	Baa1 / BBB+ (Moody's / Fitch)	Incremental Debt	None expected

Q&A



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