

**ASSOCIATED BRITISH PORTS
INVESTMENTS LIMITED
(Company Number 2086213)**

ANNUAL REPORT AND ACCOUNTS 2007

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**ASSOCIATED BRITISH PORTS
INVESTMENTS LIMITED**

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Directors' Report

The directors present their report and audited financial statements of the Company for the year ended 31 December 2007

Business review and principal activity

The principal activity of the Company is to act as an intermediate holding company

During the year the Company has not traded, has not incurred any liabilities and consequently has made neither profit nor loss (2006 £nil) The Company has net liabilities of £113.2 million (2006 £113.2 million) The Company's ultimate parent undertaking, ABP (Jersey) Limited, has confirmed that it will continue to finance the Company to enable it to meet its liabilities as they fall due

The directors do not recommend the payment of a dividend for the year (2006 £nil)

Future outlook

The directors expect to continue this activity in the foreseeable future

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately Accordingly the principal risks and uncertainties of Associated British Ports Holdings Limited (ABPH) which include those of the Company, are discussed on pages 15 to 18 of ABPH's annual report which does not form part of this report

Key performance indicators

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

Directors

The directors of the Company during the year and up to the date of these accounts were as follows

R J Adam	(resigned 28 February 2007)
Z I Khan	(appointed 1 March 2007)
B A Lerenius	(resigned 31 March 2007)
H Rees	(appointed 5 April 2007)

No director had any beneficial interest in the shares of the Company during the year

No director had any beneficial, including family, interests in the shares of Associated British Ports Holdings Limited, or any other related group company

The number of shares over which options are held by the directors under the Associated British Ports Savings-Related Share Option Scheme are stated in the table below

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Directors' Report (continued)

	2007	2006
H Rees	-	1,734

No options over shares were granted during the year

During the year the number of options over shares exercised by H Rees was 1,734

Financial instruments

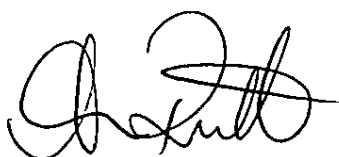
The Company's policies on financial instruments are discussed on page 9 of the financial statements

Elective resolutions and auditors

Each director has taken steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. So far as each director is aware, there is no information of which the Company's auditors are unaware.

The Company has, by Elective Resolutions, resolved to dispense with the need to lay Reports and Accounts before the members of the company in General Meeting, to hold Annual General Meetings and to re-appoint auditors annually.

By Order of the Board



A Rutter
Company Secretary
20 February 2008

Registered Office
150 Holborn
London EC1N 2LR

ASSOCIATED BRITISH PORTS INVESTMENTS LIMITED ANNUAL REPORT AND ACCOUNTS 2007

Statement of directors' responsibilities in respect of the preparation of financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether the financial statements comply with IFRSs as adopted by the European Union, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board



A Rutter
Company Secretary
20 February 2008

Registered Office
150 Holborn
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ASSOCIATED BRITISH PORTS INVESTMENTS LIMITED ANNUAL REPORT AND ACCOUNTS 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ASSOCIATED BRITISH PORTS INVESTMENTS LIMITED

We have audited the financial statements of Associated British Ports Investments Limited for the year ended 31 December 2007 which comprise the income statement, the balance sheet, the cash flow statement, the statement of recognised income and expense and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's member in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy

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of the presentation of information in the financial statements

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Company's affairs as at 31 December 2007 and of its result and cash flows for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
26 February 2008

**ASSOCIATED BRITISH PORTS INVESTMENTS LIMITED ANNUAL REPORT
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Balance Sheet as at 31 December

	Note	2007 £000	2006 £000
Assets			
Non-current assets			
Investments	5	-	-
		-	-
Current liabilities			
Trade and other payables	6	(113,189)	(113,189)
Net liabilities		(113,189)	(113,189)
Capital and reserves			
Called-up share capital	7	-	-
Accumulated losses		(113,189)	(113,189)
Equity shareholder's funds		(113,189)	(113,189)

The financial statements on pages 6 to 11 were approved by the Board on 20 February 2008 and signed on its behalf by


Z I Khan
 Director

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Income statement for the year ended 31 December

The Company has not traded during the years ended 31 December 2007 and 2006, consequently no Income Statement has been presented

Statement of recognised income and expense for the year ended 31 December

The company has not traded during the years ended 31 December 2007 and 2006, consequently there were no changes in shareholder's equity

Cash flow statement for the year ended 31 December

The Company held no cash, cash equivalents, or overdrafts as at 31 December 2007 and 31 December 2006. Associated British Ports made all payments and collected all receipts of this Company on its behalf. Details of Associated British Ports' cash flow are available within its statutory accounts. Therefore no cash flow statement has been prepared.

The notes on pages 8 to 11 form part of these financial statements

ASSOCIATED BRITISH PORTS INVESTMENTS LIMITED ANNUAL REPORT AND ACCOUNTS 2007

Notes to the financial statements

1 Continued financial support

The Company has amounts of £113,189,000 (2006 £113,189,000) due to fellow subsidiaries in the ABP (Jersey) Limited Group (note 6). The Company's ultimate parent undertaking, ABP (Jersey) Limited, has confirmed that it will continue to finance the Company to enable it to meet its liabilities as they fall due.

2 Accounting policies

Basis of preparation

These separate financial statements contain information about Associated British Ports Investments Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption under IAS27 'Consolidated and separate financial statements', from the requirement to prepare consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated financial statements of its parent, Associated British Ports Holdings Limited, which are available from 150 Holborn, London, EC1N 2LR.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations as endorsed by the EU and with those parts of the Companies Act, 1985 applicable to companies reporting under IFRS. The financial statements have been prepared on a going concern basis under the historical cost convention.

IFRS 7 Financial Instruments Disclosures, and the complementary Amendment to IAS 1 Presentation of Financial Statements – Capital Disclosures, was adopted by the Company from 1 January 2007. This has required additional disclosure from the Company but had no impact on the classification and valuation of the Company's financial instruments.

IAS 1 (Revised) Presentation of Financial Statements has been issued with changes effective for accounting periods on or after 1 January 2009. This will require changes in presentation from the company but will have no impact on classification and valuation.

The Company has reviewed both the other standards, amendments and interpretations to published standards that became mandatory for accounting periods on or after 1 January 2007 and the standards, amendments and interpretations of existing standards that have been published and that are mandatory for the Company's accounting periods beginning on or after 1 January 2008 or later. None of these are relevant to the Company's operations.

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Notes to the financial statements (continued)

2 Accounting policies (continued)

Basis of preparation (continued)

The directors do not consider that there are any areas of the Company's accounting policies involving a higher degree of judgement or complexity nor are there any areas where assumptions and estimates are significant to the financial statement

Investments

Investments in group undertakings are stated at cost. They are subject to impairment reviews annually and when there are indications that the carrying value may not be recoverable.

Financial instruments

Treasury matters throughout the group are controlled centrally and carried out in compliance with policies approved by the board. The Company's main financial risks are liquidity and credit risk. These risks are managed by its ultimate parent company, ABP (Jersey) Limited. The group aims to manage these risks to an acceptable level. It does not trade in financial instruments. See page 17 of the ABP (Jersey) Limited financial statements for further details.

Trade and other payables are recorded at fair value and subsequently reviewed for impairment. Interest-bearing trade and other payables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method.

The Company's capital is managed on a group basis. See page 17 of the ABP (Jersey) Limited financial statements for further details.

3 Auditors' remuneration

The auditors' remuneration for the year was borne by the parent company.

4 Directors' emoluments and employees

There were no persons employed by the Company during 2007 (2006: nil).

None of the directors received any emoluments from the Company during 2007 (2006: nil). Of the emoluments paid to the Directors by other group companies, none were in respect of services to the Company, which were of negligible value.

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Notes to the financial statements (continued)

5 Investments

The Company holds the whole of the ordinary and preference share capital of Millbay Development Company Limited. Millbay Development Company Limited's issued share capital is as follows

1,000 ordinary shares of £1 each
10,000 7% non-cumulative preference shares of £1 each
500 7% cumulative redeemable participating preference shares of £1 each

The total capital and reserves of the subsidiary company for the year ended 31 December 2007 was a deficit of £2,401,000. The profit for the year ended 31 December 2007 was £32,000.

The Company holds the whole of the issued ordinary share capital of ABP Property Development Company Limited. The issued share capital of ABP Property Development Company Limited is 2 ordinary shares of £1 each.

The total capital and reserves of the subsidiary company for the year ended 31 December 2007 was £12,282,000. The profit for the year ended 31 December 2007 was £4,620,000.

The investments have been written down to nil net book value in previous years.

6 Trade and other payables

	2007 £000	2006 £000
Amounts owed to parent undertaking	113,189	113,189

The above amount is non-interest bearing and has no fixed date of repayment. Management considers that the fair value of this amount approximates to its book value.

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Notes to the financial statements (continued)

7 Share capital

	2007 £000	2006 £000
Authorised		
10,000 (2006 10,000) ordinary shares of £1	10	10
Issued and fully paid		
2 (2006 2) ordinary shares of £1	-	-

8 Related party transactions

There were no related party transactions during the year. Amounts due to group undertakings arose in previous years and the balance is due to the Company's immediate parent undertaking, Associated British Ports Holdings Limited.

9 Ultimate parent undertaking

The company is a limited liability company domiciled and incorporated in England and Wales. Its immediate parent undertaking is Associated British Ports Holdings Limited. The ultimate parent undertaking is ABP (Jersey) Limited (a company controlled by Borealis International Investments Corporation, GIC Special Investments Pte, Goldman Sachs Infrastructure Fund and Infracapital LP acting by its manager M&G Investment Management Limited), which is registered in Jersey and which produces consolidated financial statements that comply with IFRS and are available from Whiteley Chambers, Don Street, St Helier, Jersey, JE4 9WG.