

# YOUR LONDON AIRPORT

## *Gatwick*

To: Deutsche Trustee Company Limited as Borrower Security Trustee and Issuer  
Security Trustee

From: Gatwick Airport Limited and Ivy Bidco Limited as Borrowers

17 June 2019

Dear Sirs

**Common Terms Agreement dated 15 February 2011 between, among others, the Issuer,  
the Obligors and Deutsche Trustee Company Limited (the Borrower Security Trustee)  
(the Common Terms Agreement)**

Capitalised terms not defined in this certificate have the meaning given to them in the Master Definitions Agreement.

1. We refer to the Common Terms Agreement. This is a Compliance Certificate.
2. We confirm that the ratios (together the **Ratios**) are as detailed in the tables below:

ICR TEST	Historical for Relevant Period ended 31 March 2019
Senior ICR	2.93

RAR TEST	Historical for Relevant Period ended 31 March 2019
Senior RAR	0.59

Forecast ICR Ratios	Forecast for Relevant Period ending on 31 March 2020	Forecast for Relevant Period ending on 31 March 2021	Forecast for Relevant Period ending on 31 March 2022
Senior ICR	3.13	3.09	3.18

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Forecast RAR Ratios	Forecast for Relevant Period ending on 31 March 2020	Forecast for Relevant Period ending on 31 March 2021	Forecast for Relevant Period ending on 31 March 2022
Senior RAR	0.62	0.62	0.61

3. We confirm that the historical ratios have been calculated using the most recently available financial information required to be provided by the Obligors under Schedule 2 (Covenants) of the Common Terms Agreement and delivered together with this Compliance Certificate.
4. We confirm that all forward-looking financial ratio calculations and projections:
  - (a) have been made on the basis of assumptions made in good faith and arrived at after due and careful consideration;
  - (b) are consistent and updated by reference to the most recently available financial information required to be produced by the Obligors under Schedule 2 (Covenants) of the Common Terms Agreement and delivered together with this Compliance Certificate; and
  - (c) are consistent with the Applicable Accounting Principles (insofar as such Applicable Accounting Principles reasonably apply to such calculations and projections).

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5. We set out below the computation of the following ratios set out in the tables in Paragraph 2 above for your information:

(a) Senior ICR

	<b>Year ended 31 March 2019 £m</b>	Year ending 31 March 2020 £m	Year ending 31 March 2021 £m	Year ending 31 March 2022 £m
<b>Net cash inflow from operating activities</b>	<b>421.3</b>	464.8	566.3	636.5
Add back: one off, non-recurring extraordinary or exceptional items	-	-	-	-
Less: UK corporation tax paid	<b>(12.3)</b>	(22.9)	(43.4)	(55.2)
Less: 2% of Total RAB	<b>(86.7)</b>	(94.8)	(105.3)	(119.5)
<b>Cash Flow (A)</b>	<b>322.3</b>	347.1	417.6	461.8
Interest and equivalent charges paid on Senior Debt <sup>1</sup>	<b>110.7</b>	111.0	135.3	145.2
Interest received	<b>(0.8)</b>	-	-	-
<b>Total Interest (B)</b>	<b>109.9</b>	111.0	135.3	145.2
<b>Senior ICR (A/B)</b>	<b>2.93</b>	3.13	3.09	3.18

1 'Interest and equivalent charges paid on Senior Debt' comprises all interest paid, including interest paid which is capitalised into the cost of tangible fixed assets.

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(b) Senior RAR

	Year ended 31 March 2019 £m	Year ending 31 March 2020 £m	Year ending 31 March 2021 £m	Year ending 31 March 2022 £m
Class A 6.125 per cent. Bonds	300.0	300.0	300.0	300.0
Class A 6.5 per cent. Bonds	300.0	300.0	300.0	300.0
Class A 5.25 per cent. Bonds	300.0	300.0	300.0	300.0
Class A 5.75 per cent. Bonds	300.0	300.0	300.0	300.0
Class A 4.625 per cent. Bonds	350.0	350.0	350.0	350.0
Class A 2.625 per cent. Bonds	300.0	300.0	300.0	300.0
Class A 3.125 per cent. Bonds	350.0	350.0	350.0	350.0
Class A 3.25 per cent. Bonds	300.0	300.0	300.0	300.0
Other Senior Debt	120.0	559.3	951.6	1,334.8
Accretion on inflation-linked Treasury Transactions	47.1	24.6	8.6	24.4
<b>Senior Debt</b> <sup>1</sup>	<b>2,667.1</b>	<b>3,083.9</b>	<b>3,460.2</b>	<b>3,859.2</b>
Less: Cash	(2.5)	-	-	-
<b>Senior Debt net of cash (X)</b>	<b>2,664.6</b>	<b>3,083.9</b>	<b>3,460.2</b>	<b>3,859.2</b>
<b>RAB (Y)</b> <sup>2</sup>	<b>4,541.4</b>	<b>4,938.3</b>	<b>5,593.9</b>	<b>6,350.2</b>
<b>Senior RAR (X/Y)</b>	<b>0.59</b>	<b>0.62</b>	<b>0.62</b>	<b>0.61</b>

1. For the purposes of preparing the Senior Debt forecast, it has been assumed that long term leverage will equate to between 0.60-0.65 Senior RAR

2. RAB from 1 April 2014 is calculated under the Transfer RAB methodology utilising a Relevant Transfer Value of £2,622.4 million as at 1 April 2014 with a relevant multiple of 11.1.

6. We confirm that:

- (a) no Default or Trigger Event has occurred and is continuing;
- (b) the Borrower is in compliance with the Hedging Policy;
- (c) to the best of our knowledge after verification, the statements made in this Compliance Certificate are accurate in all material respects; and the amount of any Restricted Payments made since the date of the delivery of the immediately previous Compliance Certificate is £nil.

Yours faithfully,



Chief Executive Officer



Chief Financial Officer

Signing without personal liability for and on behalf of Gatwick Airport Limited as Borrower