

APPENDIX 10.8
(referred to in paragraph 10.42)

**MMC financial projections at RPI-3 for Q3 and RPI+ 2 for Q4
(1995/96 prices) allowing for loss of intra-EU duty-free and tax-free sales
with compensation (half deferred for one year) based on net loss of £55 million**

	1995/ 96	1996/ 97	1997/ 98	1998/ 99	1999/ 2000	2000/ 01	2001/ 02	Average Q3	Average Q4	
Airport charges	-1	-1	-3	-3	-3	-3	-3	-3	2	
Operating profit (£m)	370	[<i>Figures omitted. See note on page iv.</i>]		
ROCV (%)	10.3	10.1	9.6	9.3	8.2	7.9	7.5	8.5	6.7	
Interest cover HCA	8.1	[<i>Figures omitted. See note on page iv.</i>]		
Gearing HCA (%)	19									
Dividend cover HCA	2.7									

Source: MMC study.

Note: See note to Appendix 10.7.