

London Southend Airport Company Limited

("LSACL" or the "Company")

Proposed Sale of London Southend Airport

Regional Airports Limited ('RAL'), which owns London Southend and Biggin Hill airports, announces that, following expressions of interest from a number of parties, it is to invite offers for London Southend Airport ('LSACL').

LSACL, one of the few remaining privately owned large airports in the UK, presents a unique strategic opportunity to develop a major regional airport serving the Thames Gateway, London and the broader South-East of England region.

Southend, once the third busiest London airport, had seen its prospects impacted by repeated proposals for a major new London airport in the Thames Estuary area. With the firm commitment in the Government's 2003 White Paper not to proceed with any new greenfield airport but to focus on developing existing airports, Southend can once again emerge as a significant London gateway.

LSACL is especially well placed to take advantage of the increasingly severe capacity constraints at other London airports. Projected growth in passenger numbers across the UK has increased exponentially and, directly as a result of the Thames Gateway initiative and 2012 Olympic Games, especially so at London Southend.

The airport's prospects are further enhanced by its close proximity to London, being located just 49 minutes by train from Liverpool Street in the City of London or 42 minutes from Stratford, the site of the 2012 Olympic Games, which in addition offers short transit times to Canary Wharf and Docklands.

The future for LSACL is exciting. There are development plans in place for its own railway station, a new passenger terminal, a hotel and a car park as well as a number of hangars. Furthermore, there are plans to extend the runway which will make it ideally suited to meet the demand for European business and leisure travel which is best served by up to 150-seat capacity aircraft, such as the Embraer 195 and Airbus 319.

The Airport's congestion-free airspace location offers some of the fastest gate-to-destination times of any designated London airport, including London City Airport (LCY).

LSACL is specifically included in the Thames Gateway blueprint plan, projected to become one of the UK's fastest growing development regions. It already includes the new DP World London Gateway Port opening nearby in 2010.

With such a development programme in place and to take advantage of the opportunities of the Olympic Games in 2012 and the plans for the Thames Gateway, RAL has concluded that for Southend Airport to achieve its full potential to the benefit of all stakeholders it should introduce a well capitalised investor experienced in developing turnkey infrastructure projects by way of a sale of the majority or all of its interest in LSACL.

Andrew Walters, Chief Executive of RAL, commented:

“London Southend has a great future ahead of it. We have already invested a great deal in the airport’s infrastructure and have secured approval for exciting development plans. What is required now is for an owner with the required resources and expertise to realise fully the potential that we know is there. London Southend is ready to once again become an internationally recognised airport”

28 January 2008

Enquiries:

Opus Corporate Finance
Nigel McNelly
Frances Davies

Tel: 020 7025 3600

College Hill
Mark Garraway
Robert Pugsley

Tel: 020 7457 2020

Notes to Editors:

LSACL acquired the business of the airport from Southend Borough Council (SBC) in 1994, and following a short period in which it completed a financial turnaround of the business, has traded profitably. LSACL has steadily reinvested the earnings in improved infrastructure and facilities to meet CAA requirements and while awaiting Government policy to support the redevelopment of this well known and popular local airport.

The redevelopment took on renewed momentum once the Government had decided in its 2003 Airports White Paper not to proceed with the development of a major new London airport in the Thames Estuary. Since then local and regional planning policies have all supported the redevelopment of the Airport as a key economic driver and employment opportunity.

Until the Government decision not to proceed with the major new airport to the East of London and the runway had been reconfigured to permit an increase in passenger flights, LSACL concentrated on the existing maintenance repair and overhaul (MRO) activities at the Airport, as well as freight (which benefit from the 24/7 opening hours) and the occasional passenger flights. More recently these have increased with summer services by Flybe and twice daily flights by Ford on a company shuttle.