

SCHEDULE 4

FORM OF INVESTOR REPORT

Investor Report for Greater Gabbard OFTO Plc

General Overview

Present Status:

Investors:	AMP Capital Investors UK Cable Limited, Balfour Beatty OFTO Holdings Limited and Equitix Transmission 2 Limited
O&M Contractor:	Balfour Beatty Utility Solutions Limited
O&M Guarantor:	Balfour Beatty Investments Holdings Limited
Security Trustee:	Deutsche Trustee Company Limited
Principal Paying Agent:	Deutsche Bank AG London Branch
Technical Adviser:	Mott MacDonald Limited
Insurance Adviser:	Willis Limited
Ratings by	Moody's Investors Services Limited: A3

Outstanding Principal Amount: £300,157,118 as at 31 March 2014 (after a principal repayment of £4,982,882 on 31 March 2014)

General Performance

Availability is running at 99.98% since Financial Close. The reduction from 100% was caused by the loss of Module 3 export circuit for 5 hours and 40 minutes on Sunday 9th March. The source of the loss was a failure of the SVC controller unit. This tripped the SVC circuit connected to Module 3 and the associated main export cable circuit. Technical staff were called to site and once it was established that there was no failure of primary system fault (i.e. a failure of the primary 132kV electrical equipment), the SVC controller was reset and Module 3 was put back into service. The OFTO is mitigating the risk of any further failures by modifying the tripping logic. OFTO staff are also working with local technical staff to improve response times by improving familiarisation with the equipment and providing better access to technical data on site.

All planned maintenance and inspections have been completed to date.

Since handover a number of operational alarms have been seen on the operator's control desk which has unreliability and poor design at their source. The SVC subsystems and tripping logic are examples along with some of the offshore fire alarm systems where some emergency call points and sounders offshore need to be replaced with watertight units. Design reviews are planned for these systems with the intention to design out the source of the problems. The resultant changes will be implemented alongside planned maintenance in the summer.

Regulatory and business update

1. There have been no new significant regulatory, business and performance developments since financial close on 29 November 2013
2. There have been no significant announcements/publications by the Authority by or relating to the Security Group since financial close on 29 November 2013
3. There have been no changes to the board of directors or senior management since financial close on 29 November 2013

Current Hedging Position

4. A hedging agreement is in place to swap c64% of revenue over the life of the senior debt term on a pari passu basis to mitigate risks associated with lower than expected RPI.

Current availability / drawn amounts under the PBCE

5. The European Investment Bank (the PBCE Provider) has provided a letter of credit for an amount of £45,771,000 (the PBCE Letter of Credit) as a form of subordinated credit enhancement for the Issuer in relation to the bonds and the hedging arrangements. No amounts have been drawn from the letter of credit as at 31 March 2014.

Ratios

6. We confirm that the ratios (together the Ratios) are as detailed in the tables below:

Ratio	Ratio for 31 March 2014(excluding undrawn PBCE)	Lock-Up Ratio Level (excluding undrawn PBCE)	Ratio for 31 March 2014(including undrawn PBCE)	Default Ratio Level (includes undrawn PBCE)
Projected DSCR:	1.206x	1.10x	3.746x	1.05x
Historic DSCR:	1.356x	1.10x	6.324x	1.05x
Debt Life Cover Ratio:	1.288x	1.15x	1.438x	1.10x

7. We confirm that the Ratios have been calculated using the most recently available financial information required to be provided by the Obligors under Schedule 2 (Obligor Covenants) of the Common Terms Agreement.

8. We set out below the computation of the Ratios for your information:

(a) Projected DSCR - 1.206 (excluding undrawn PBCE)

<u>Net Cashflow (April 14-March 15)</u>	21,367
Debt Service (April 14-March 15)	17,721

Net Cashflow is comprised of Gross Revenue less Operating Costs, Capital Costs and Taxes

Gross Revenue is net of RPI swap payments and movements in and out of the Emergency Reserve Account (ERA), Decommissioning Reserve Account (DRA) and Working Capital Reserve Account (WCRA)

Debt Service includes all scheduled payments of interest and principal payable in respect of senior debt and any termination payments then due and payable under any hedging agreement

(b) Historic DSCR - 1.356 (excluding Undrawn PBCE)

<u>Net Cashflow (November 13-March 14)</u>	12,497
Debt Service (November 13-March 14)	9,214

(c) Debt Life Cover Ratio (DLCR) - 1.288 (excluding undrawn PBCE)

NPV of Net Cashflow plus DSRA, ERA, WCRA	386,595
<u>plus residual balance of operating account</u>	
Senior Debt	300,157

Senior Debt excludes mark-to-market liabilities under hedging agreements.

We confirm that:

- (d) No Default has occurred,
- (e) the statements set out in this Investor Report are accurate in all material respects;
- (f) No Restricted Payment has been made since the date of financial close 29 November 2013

Yours faithfully,


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Director

Signing without personal liability, for and on behalf of

Greater Gabbard OFTO Plc for and on behalf of each Obligor
24 March 2014