

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser who, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000, or from another appropriately authorised independent financial adviser if you are taking advice in a territory outside the United Kingdom.

If you have sold or otherwise transferred all of your ABPH Shares, please send this document together with the accompanying documents as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into Canada or any other jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or otherwise transferred part of your holding of ABPH Shares, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected before forwarding anything to the purchaser or transferee.

### Part One: LETTER FROM THE CHAIRMAN



**Registered Office:**  
**150 Holborn**  
**London EC1N 2LR**

(Registered in England and Wales with No. 1612178)

24 June 2006

*To ABPH Shareholders and, for information only, to holders of options or awards under the ABPH Share Schemes*

Dear Shareholder,

### Revised Recommended Offer by Admiral for ABPH

I am writing with important news about an increased offer for your ABPH Shares.

#### 1. Revised Offer

Enclosed with this letter is a circular to ABPH Shareholders dated 21 June 2006 (the "**Scheme Document**") setting out the terms of a recommended offer by Admiral Acquisitions UK Limited for the acquisition of the entire issued and to be issued share capital of ABPH at a cash price of 840 pence per ABPH Share.

At the date of the Chairman's letter set out in the Scheme Document, which was written on the latest practicable date before printing the Scheme Document, the Board was evaluating a pre-conditional proposal from Britannia indicating that it was considering making a cash offer at a price of at least 840 pence and had provided certain limited due diligence information to Britannia.

On 23 June 2006 Admiral and ABPH announced a revised recommended cash offer for ABPH (the "**Revised Offer**"). Under the Revised Offer, if the Scheme becomes effective, Scheme Shareholders on the register of members at the Scheme Record Time will receive:

**For each Scheme Share                      910 pence in cash**

I enclose a copy of that announcement (the "**Increase Announcement**").

The Revised Offer values ABPH's fully diluted share capital at approximately £2,795 million assuming full vesting of options and awards in respect of ABPH Shares.

## **2. Amendments**

### *(A) to the Scheme*

In view of the Revised Offer, ABPH and Admiral intend to propose an amendment to the Scheme (set out in Part Ten of the Scheme Document) at the Court Meeting to increase the amount which will be paid to holders of the Cancellation Shares, in consideration for the cancellation of those shares, from 840 pence to 910 pence per Cancellation Share.

### *(B) to the Scheme Document*

Certain material information in Part Nine of the Scheme Document has been calculated as at 21 June 2006 on the basis of an offer price of 840 pence per share. Part Two of this letter contains a restatement of that information at the Revised Offer price.

### *(C) no other amendments*

Save for the increase in the Offer price, all other terms of the Offer, the Scheme and Admiral's proposals remain as described in the enclosed Scheme Document.

## **3. Revised Break Fee**

As an inducement to Admiral to make the Revised Offer, by releasing the Increase Announcement, ABPH has agreed to amend the Implementation Agreement to reflect the Revised Offer so that the break fee payable to Admiral under the Implementation Agreement in the circumstances described in Paragraph 6 of Part Two of the Scheme Document is increased to one per cent. of the Revised Offer value (inclusive of non-recoverable amounts in respect of VAT), on the basis described in the Increase Announcement. Such increased break fee shall not exceed the amount which the Panel determines to be permitted by Rule 21.2 of the City Code. No other amendments have been made to the Implementation Agreement.

## **4. Recommendation of the Revised Offer**

The ABPH Directors, who have been so advised by Deutsche Bank, consider the Revised Offer to be fair and reasonable. In providing their advice to the ABPH Directors, Deutsche Bank has taken account of the commercial assessments of the ABPH Directors. Accordingly, the ABPH Directors unanimously recommend ABPH Shareholders to approve the Scheme on the basis of the Revised Offer and to vote in favour of the resolutions to be proposed at the Court Meeting and the EGM in relation to the Scheme on the basis of the Revised Offer (as they have irrevocably undertaken to do in respect of all of their own beneficial holdings of 97,802 ABPH Shares, representing, in aggregate, approximately 0.032 per cent. of the existing issued share capital of ABPH).

Unless the context requires otherwise, capitalised terms in this letter have the meanings given to them in the Scheme Document.

Yours faithfully



**Chris Clark**  
Chairman  
Associated British Ports Holdings PLC

**Part Two: RESTATEMENT OF CERTAIN OFFER PRICE-BASED  
INFORMATION IN THE SCHEME DOCUMENT**

**Part Nine: paragraph 3.2**

Assuming the Scheme on the basis of the Revised Offer becomes effective on 14 August 2006 the ABPH Directors will receive the following amounts in respect of the awards and options listed in the tables on pages 141 and 142 of the Scheme Document (other than those under the Savings-Related Share Option Scheme):

pages 142  
and 143  
of the  
Scheme  
Document

- (i) Mr Lerenius will receive £4,570,166 of which, assuming that all relevant performance targets are met in full, £2,967,847 is attributable to those ABPH Shares to which he is entitled in accordance with the rules of the relevant ABPH Share Scheme before the exercise of any discretions by the ABPH Remuneration Committee which would result in options/awards vesting on a time pro-rata basis, £951,369 is attributable to those additional shares to which he will become entitled as a result of the exercise of those discretions and £650,950 is the additional cash payment payable by Admiral under the Implementation Agreement as a consequence of the ABPH Shares not vesting;
- (ii) Mr Adam will receive £2,978,884 of which, assuming that all relevant performance targets are met in full, £1,933,988 is attributable to those ABPH Shares to which he is entitled in accordance with the rules of the relevant ABPH Share Scheme before the exercise of any discretions by the ABPH Remuneration Committee which would result in options/awards vesting on a time pro-rata basis, £619,043 is attributable to those additional shares to which he will become entitled as a result of the exercise of those discretions and £425,853 is the additional cash payment payable by Admiral under the Implementation Agreement as a consequence of the ABPH Shares not vesting; and
- (iii) Mr Morrison will receive £880,152 of which, assuming that all relevant performance targets are met in full, £474,909 is attributable to those ABPH Shares to which he is entitled in accordance with the rules of the relevant ABPH Share Scheme before the exercise of any discretions by the ABPH Remuneration Committee which would result in options/awards vesting on a time pro-rata basis, £251,108 is attributable to those additional shares to which he will become entitled as a result of the exercise of those discretions and £154,135 is the additional cash payment payable by Admiral under the Implementation Agreement as a consequence of the ABPH Shares not vesting.

24 June 2006

