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FULL YEAR RESULTS 2016

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Disclaimer

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Sydney Airport advises that on 1 February 2017 foreign ownership was 30.9%.

Agenda

1. Performance highlights
2. Western Sydney Airport update
3. Distribution guidance
4. Financial results
5. Integrated, sustainable growth plan
6. Outlook



Excellent 2016 performance and outcomes



Financial highlights



41.9m

Total passengers

International
Domestic

↑ 8.9%
↑ 3.8%



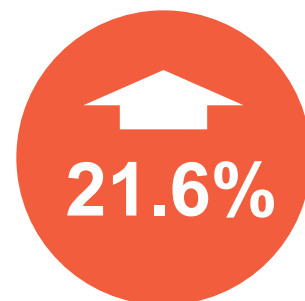
\$1,106.7m

EBITDA¹



\$696.0m

Net operating receipts¹



31.0¢

2016 distribution

Net Operating Receipts
cover of Distribution¹ 100%

1. Excluding WSA project costs expensed (WSA). EBITDA including WSA is \$1,085.7m with 8.2% growth. NOR including WSA is \$675.0 million with 16.9% growth.

Positive strategic changes in 2016



Strategic step changes helped to drive a strong financial performance



International Airline Agreements

Key Commercial Outcomes

- Commenced July 2015
- Pricing certainty to 2020

Key Strategic Outcomes

- Investment focused on increasing capacity, operational efficiencies and enhancing the passenger experience
- Collaborating well with airlines through new industry consultation forums
- Service level KPIs established to deliver clear scorecard for airlines on service standards

Duty Free Contract

Key Commercial Outcomes

- Commenced February 2015
- Contractual certainty to August 2022

Key Strategic Outcomes

- Contract performing well, in line with forecasts
- Offering a wider variety of contemporary products (28,000 products across 800 brands), including first to Australia brands
- Chinese sales continue to grow strongly (+26% vs. pcg); increasing importance of other Asian nationalities as sales showing strongest growth (+70% vs. pcg)

Terminal 3 Transaction

Key Commercial Outcomes

- Commenced September 2015
- Pricing certainty to 2025

Key Strategic Outcomes

- Performance ahead of original plan
- Seamless transition of ownership from Qantas to Sydney Airport with no impact on the passenger experience
- Active engagement with stakeholders on proposed capital works and to efficiently address operating issues

Sustained passenger growth throughout 2016 contributed to the achievement of successful outcomes



We aim to drive responsible growth that balances social, community and environmental needs with corporate objectives



Key achievements in 2016

KEY ACHIEVEMENTS

DESCRIPTION

Sustainability ratings

- Listed on the Dow Jones Sustainability Indices (DJSI) and included in RobecoSAM's 2017 Sustainability Yearbook
- Achieved a "leading" rating by the Australian Council of Superannuation Investors for sustainability reporting
- Achieved a MSCI ESG "AA" rating

Sustainability performance

- Customer Service Institute of Australia (CSIA) re-accreditation

Awards

- Australian Airports Association (AAA) aviation safety award
- Employer of Choice by the Australian Business Awards

Carbon performance

- Achieved Level Three Airport Carbon Accreditation
- Reduced carbon intensity by 25.6% since 2010

Safety continued to be a top priority

- Ramp safety hours tripled since 2013
- Sydney Airport's Lost Time Injury Frequency Rate (LTIFR) has reduced to 3.3 in 2016, from 5.5 in 2014

Community Diversity

- Increasing our contribution in our neighbouring communities
- Female representation increased to 36.4%
- New Diversity Policy and Diversity Council
- Increased support provided for Indigenous Australians (CareerTrackers Internships, Supply Nation membership)

Sydney Airport ~70% Australian owned



MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM



Sydney Airport is considering the WSA Notice of Intention (NOI) received in December 2016



Update on consideration of the NOI

- Continuing to evaluate the opportunity. Disciplined approach to applying strict investment criteria
- Undertaking confidential and detailed market soundings with the contractor market
- The Commonwealth has advised that Sydney Airport's response to the NOI is due on 8 May 2017, a four-month consideration period
- Sydney Airport remains of the view that it is entitled to a nine-month consideration period but will be endeavouring to meet the Commonwealth's timetable
- As soon as Sydney Airport has adequate information to make an informed decision, it will do so

We are considering the Western Sydney Airport (WSA) opportunity in the context of:

- An airport primarily serving its own growing catchment in Western Sydney (est. population of 2 million)
- A ~10-year construction period, with first flights from end-2026
- An expectation that there would be a gradual increase in passenger traffic to reach annual capacity of 10 million passengers within 5-10 years
- Any positive and negative impacts on Sydney (Kingsford Smith) Airport



2017 guidance for distribution increase to 33.5 cents;
8.1% growth vs. 2016

Distributions

2016 distribution of 31.0 cents per stapled security

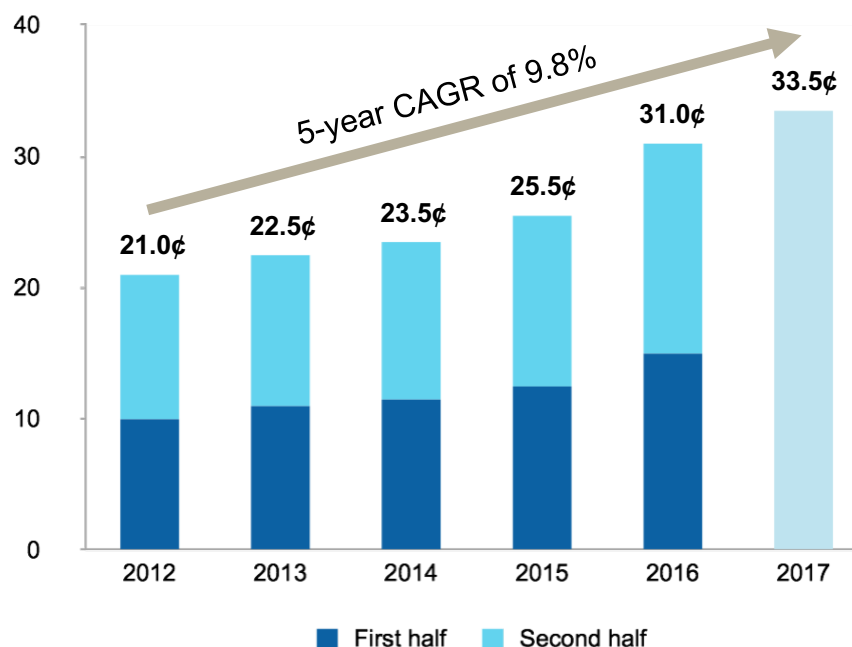
- Final distribution of 16.0 cents paid 14 February 2017
- 100% covered by Net Operating Receipts¹

2017 guidance of 33.5 cents per stapled security

- 8.1% growth on 2016 distribution
- 9.8% 5-year CAGR
- Expected to be fully covered by net operating receipts
- Guidance subject to aviation industry shocks and material forecast changes

Strong growth

Distribution per stapled security



1. Excluding WSA project costs expensed



2016 passenger growth



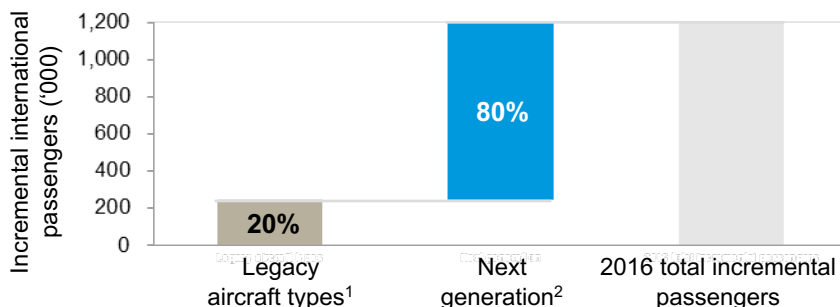
Capacity increases and strong load factors from new and existing airlines drove 2016 passenger growth

Drivers of growth in FY16

- Strong international growth of 8.9% driven by capacity increases and largely stable load factors
- Solid domestic growth of 3.8%, benefiting from a re-focus on the east coast business hubs as airlines pursue yield and profit growth
- New international seat capacity during the year:

| | | | |
|-------------------|---------|--------------------|---------|
| Qantas | 368,000 | AirAsia X | 131,000 |
| Qatar Airways | 248,000 | Xiamen Airlines | 126,000 |
| American Airlines | 211,000 | Etihad | 85,000 |
| ANA | 149,000 | Singapore Airlines | 62,000 |
| China Southern | 132,000 | China Eastern | 49,000 |

80% of our international passenger growth in 2016 came from quieter and more sustainable aircraft



1. Legacy aircraft include A330, B747, B767, A340, B737 and B777

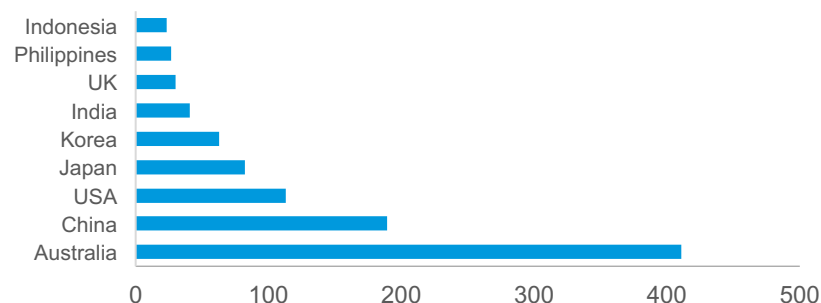
2. Next generation aircraft include A380 and B787

Fastest growing nationalities in FY16

| NATIONALITIES | GROWTH |
|---------------|--------|
| Japan | +30.5% |
| Korea | +19.4% |
| China | +17.6% |
| USA | +16.8% |
| Indonesia | +15.0% |
| India | +14.4% |

Due to data availability, nationality information in the table above and graph below are for the period 1 January to 22 December 2016. Growth rates have been calculated on the equivalent date ranges in the pcg.

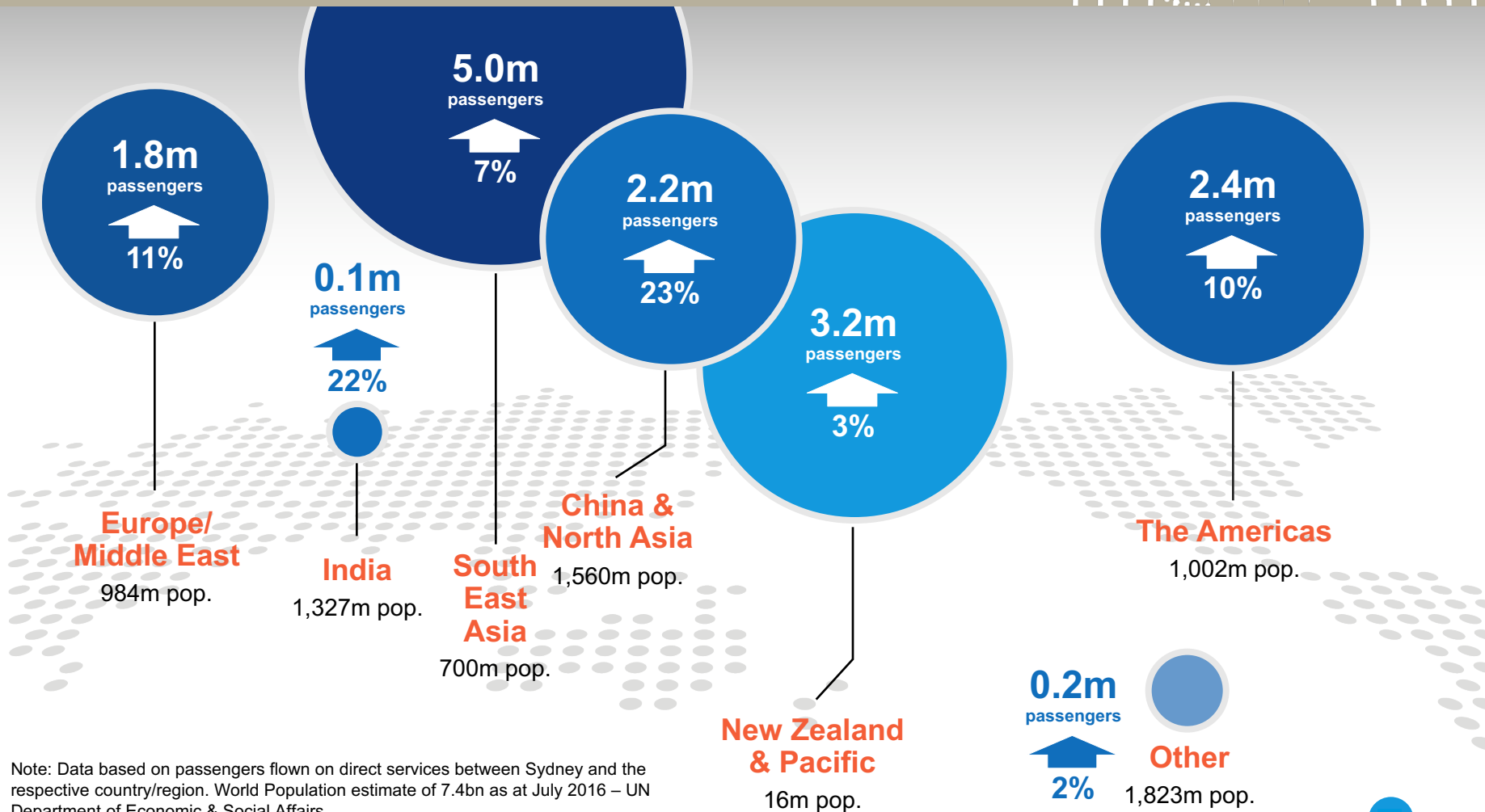
Largest nationality growth in FY16 by absolute passenger numbers ('000)



A geographically diverse international market



Sydney Airport's business development activities and tourism partnerships are attracting strong growth from across the globe




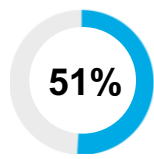


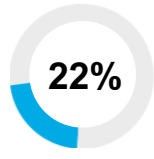


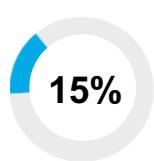


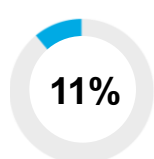

Note: Data based on passengers flown on direct services between Sydney and the respective country/region. World Population estimate of 7.4bn as at July 2016 – UN Department of Economic & Social Affairs.

Operational growth



Our largest business units – aeronautical and retail – were the strongest performers with double digit growth



| Business | 2016 highlights | Revenue \$m | Revenue contribution | Revenue growth |
|---|--|--------------------|---|--|
|  Aeronautical services | <ul style="list-style-type: none"> 8.9% international and 5.6% total passenger growth Strong capacity growth and load factors maintained Capital investment program supporting passenger experience, airline operating efficiencies and capacity expansion to meet demand | 701.5 ¹ |  51% |  15.6% |
|  Retail | <ul style="list-style-type: none"> New duty free offering complete with enhanced brand and product categories delivering strong growth Majority of retail development now complete, with 10 of 13 outlets in new fashion precinct open. Remainder to open 1H17 New T1 Marketplace dining precinct progressively unveiled with five dining concepts open and two opening in 1H17 | 295.6 |  22% |  12.2% |
|  Property and car rental | <ul style="list-style-type: none"> 300 leasing transactions completed in 2016; 99% occupancy airport-wide Nigel Love Bridge to the northern lands opened, at-grade car parking utilised for staff Domestic hotel construction nearing completion, expected opening mid 2017 | 204.2 |  15% |  1.5% |
|  Parking and ground transport | <ul style="list-style-type: none"> New online parking products are supporting higher asset utilisation Opened new pick-up areas at T2/T3 precinct providing improved choice and traffic flows Next phase of five year ground access plan delivered | 156.1 |  11% |  3.6% |

1. Includes aeronautical security recovery

Statutory income statement



Strong EBITDA growth and finance cost management driving statutory income



| \$ MILLIONS | FY16 | FY15 |
|--|--------------|--------------|
| Total revenue and other income | 1,364.6 | 1,229.0 |
| Total expenses | (278.9) | (225.4) |
| EBITDA | 1,085.7 | 1,003.6 |
| Depreciation and amortisation | (356.5) | (312.5) |
| Profit before net finance costs and income tax (EBIT) | 729.2 | 691.1 |
| Net finance costs | (409.0) | (405.0) |
| Profit before income tax expense | 320.2 | 286.1 |
| Income tax expense | (0.6) | (5.0) |
| Profit after income tax expense | 319.6 | 281.1 |
| Add back: Profit attributable to non-controlling interests | 1.3 | 1.9 |
| Net profit attributable to security holders | 320.9 | 283.0 |

Profit to net operating receipts reconciliation



22% distribution growth, fully covered
by Net Operating Receipts¹



| \$ MILLIONS | | FY16 | FY15 |
|--|--|--------------|---------------|
| Profit before income tax expense | | 320.2 | 286.1 |
| Add back: depreciation and amortisation | | 356.5 | 312.5 |
| Profit before tax, depreciation and amortisation | | 676.7 | 598.6 |
| Add/(subtract) non-cash financial expenses | - Capital index bonds capitalised | 10.5 | 15.8 |
| | - Amortisation of debt establishment costs | 27.4 | 23.1 |
| | - WSA project costs expensed (WSA) | 21.0 | - |
| | - Borrowing costs capitalised | (9.6) | (11.0) |
| | - Change in fair value of swaps | (22.0) | (28.3) |
| Total non-cash financial expenses | | 27.3 | (0.4) |
| Add/(subtract) other cash movements | - Movement in cash balance with restricted use | 12.3 | (5.5) |
| | - Other | (20.3) | (14.9) |
| Total other cash movements | | (8.0) | (20.4) |
| Net operating receipts (excluding WSA) | | 696.0 | 577.8 |
| Net operating receipts | | 675.0 | 577.8 |
| Average stapled securities on issue (m) | | 2,237.4 | 2,221.2 |
| Net operating receipts per stapled security (cents) | | 30.2 | 26.0 |
| Net operating receipts per stapled security (excluding WSA) (cents) | | 31.1 | 26.0 |
| Distributions declared per stapled security (cents) | | 31.0 | 25.5 |

1. Excluding WSA project costs expensed

Improved EBITDA margins



Operating margins have improved; now back to 2H15 levels



Operating margin performance

- The operating margin improved in the second half from 81.0% to 81.2%¹, and is back to 2H15 levels
- Operating leverage was enhanced in the second half by the 4.8% step up of international aeronautical charges from July 2016
- Opex increases associated with T3 and improved terminal standards and passenger experience totalled \$15 million in 2016
- Opex in FY17 will include:
 - Normal contractual increases
 - Estimated \$5 million for the new Mantra operated hotel and additional electricity contract costs in line with the Australian electricity market
 - WSA costs

1. Excluding WSA project costs expensed

Strong retail performance following duty free completion



Focused on driving retail returns in 2017

Key revenue contributors

- New duty free offering now complete with enhanced brand and product categories delivering strong growth
- Majority of retail development now complete with new outlets providing consistent returns for the retail business
- 10 of 13 outlets now open in the new T1 fashion precinct, with the remainder scheduled to open progressively in 1H17

Future growth opportunities

- New T1 Marketplace precinct will be complete with seven new food and beverage outlets trading
- Five of six new contemporary eateries in Pier C have opened, including first to airport and Australia offerings, with the remainder progressively unveiled in 1Q17
- Additional leasing opportunities at T2 and T3 Domestic terminals



New property opportunities being pursued



T2/T3 precinct hotel to open mid-2017, actively exploring other aviation support and commercial opportunities



Key revenue contributors

- 300 leasing transactions completed during 2016 with 99% occupancy airport-wide
- Strong revenue contribution from car rental operators
- Base build well advanced for the new 136-room hotel in the T2/T3 precinct to be managed by Mantra, fitout now underway. Completion expected mid-2017



Future growth opportunities

- Hotel strategy expanded, with opportunities identified in the short-term (T2/T3), medium-term (T1) and long-term that are consistent with KSA's future growth plans
- Focusing on aviation support infrastructure opportunities such as freight, catering and office accommodation
- Exploring further opportunities for development of commercial facilities in underutilised sectors of the airport, particularly in the Northern Lands



New parking products and more choice; enhanced access to modal alternatives

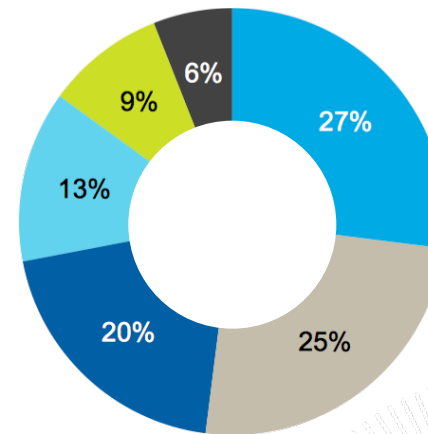


New products and initiatives to be introduced in 2017, leveraging strong online growth



Key revenue contributors

- Online bookings grew 21% vs. pcp, with increased demand for international long stay products
- Online bookings making up 38% of parking revenue
- Domestic revenue growth impacted by construction, ground access changes and the expansion of modal alternatives
- Enhancing and expanding access to modal alternatives becoming increasingly important



Ground transport estimated modal shares

- Buses and limousines
- Taxi
- Train
- Free pick-up
- Paid parking
- Other*

* "Other" includes car rentals, public bus, walking and cycling

Note: Ridesharing (Uber) included in paid parking and free pick-up

Future growth opportunities

- Three new levels (420 spaces) of the domestic P3 car park opened in December 2016
- Additional four floors of parking spaces (1,080 spaces) at international; progressively open from mid-2017
- New parking products to be introduced, aimed at optimising pricing across the product range
- Road improvements delivering an enhanced passenger experience



Continued de-risking of balance sheet

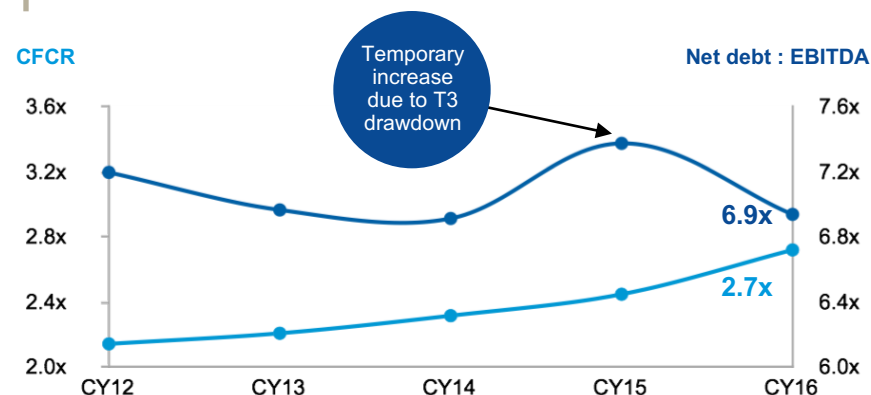


Strong interest coverage and continued deleveraging
Next drawn debt maturity in mid-2018

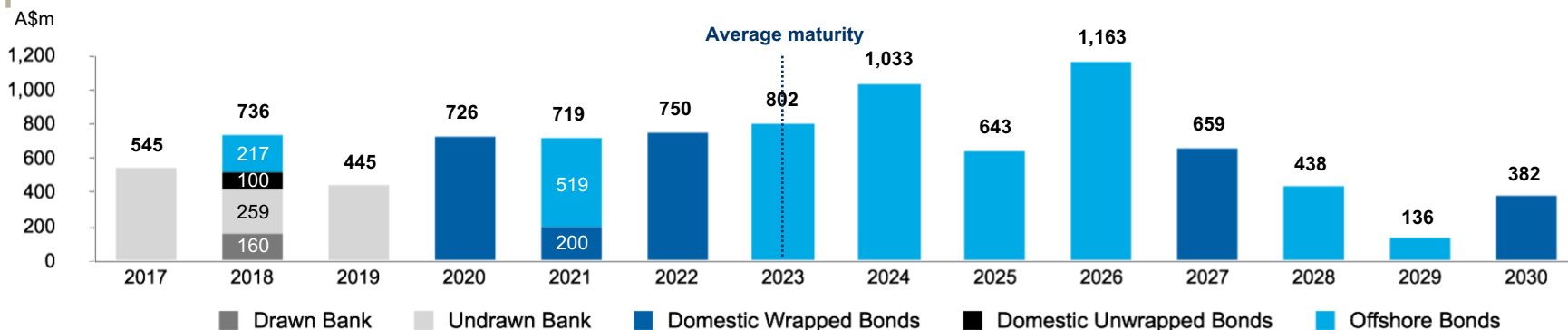
31 December 2016 metrics

| | |
|---|-------------------------------|
| Net debt | \$7.7bn |
| CFCR ¹ | 2.7x |
| Net debt : EBITDA ¹ | 6.9x |
| Credit rating | BBB (positive outlook) / Baa2 |
| Next drawn maturity | Mid-2018 |
| Average maturity | Mid-2023 |
| Average cash interest rate ² | 5.3% |
| Spot interest rate hedge position | 88% |

CFCR¹ and Net debt : EBITDA¹



Significant undrawn bank debt liquidity



1. Debt metrics calculated for SCACH; EBITDA excludes WSA project costs expensed

2. Excludes capitalised interest, fair value of swaps and amortisation of debt establishment and other costs

Investing in capacity



In 2016, \$385m was invested in major projects to expand capacity and improve the passenger experience



Terminal 1



Ground Transport



Integrated Operations Centre



Bussing



Airfield



Check-in



Continued focus on technology investment



Technology delivering improvements in customer experience and airline operations



Investments undertaken

- Installation of wayfinding kiosks
- Upgrading of FIDS
- Implementing queue measurement and queue time display
- Enhancing free wifi services, new retail website
- Enabling real time flight status upgrades



Future investments

- Embracing “cloud based” technology to deliver resilience and scalable capacity
- Open data strategy delivering information to passengers through the channels they choose



Integrated, sustainable growth plan



Sustainable growth and value underpinned by a collaborative and integrated approach



Sydney Airport is a powerhouse driving productivity, jobs, economic growth and prosperity for Sydney, NSW and Australia



Five key focus areas

1

Partnerships and market development

- Sydney and NSW are unique, high growth markets
- Sydney is well positioned; direct access to 70% of the world's population
- Ideal catchment area serving business, financial, tourism and VFR markets
- Integrated approach with tourism and business partners to capitalise on market opportunities

2

Optimise efficiencies, operations and capacity

- Sydney Airport will continue to serve the whole of Sydney Basin aviation needs until at least 2026
- Examine and update policy settings (including operating restrictions) to maximise the use of existing infrastructure, ensure Sydney and NSW economic prosperity is not artificially constrained and improve the customer experience

3

Improve access to the airport

- Deliver the five-year Ground Access Plan within the airport precinct
- Focused on advocating to:
 - Ease congestion on surrounding NSW government roads
 - Increase public transport
 - Have more affordable train and bus fares
 - Increase active transport connections

4

Enhance the customer experience

- Innovate to improve customer experience and airline operations
- Use of data and technology to streamline and accelerate passenger processing
- Expand offerings and facilities to meet differentiated customer needs

5

Meet demand for aviation infrastructure

- Deliver the five-year International Airline Agreements
- Prepare for future infrastructure needs to support growth
 - T1 Pier A (international contact gates), aprons, baggage expansion
 - In the long term, integrated, new terminals and product differentiation



Sydney has the largest catchment and NSW has the strongest domestic economy



Economic significance

- **32%** of Australia's GDP, larger than Hong Kong or Singapore
- **600** multinationals with Asia-Pacific Headquarters
- **41%** of Australia's leading 500 companies with head office in Sydney and New South Wales
- **38%** of Australia's first and business class passengers



7.5m

Sydney's catchment population

31%
of Australia's 24.5m population

NSW highest consumer confidence

- **\$3.7B** budget surplus
- **\$0** net state government debt
- **Triple A** credit rating
- **63%** of jobs created in Australia
- **State** with highest business investment growth

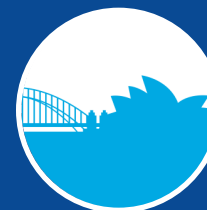
8km

to Sydney city centre



10km

to major tourist attractions

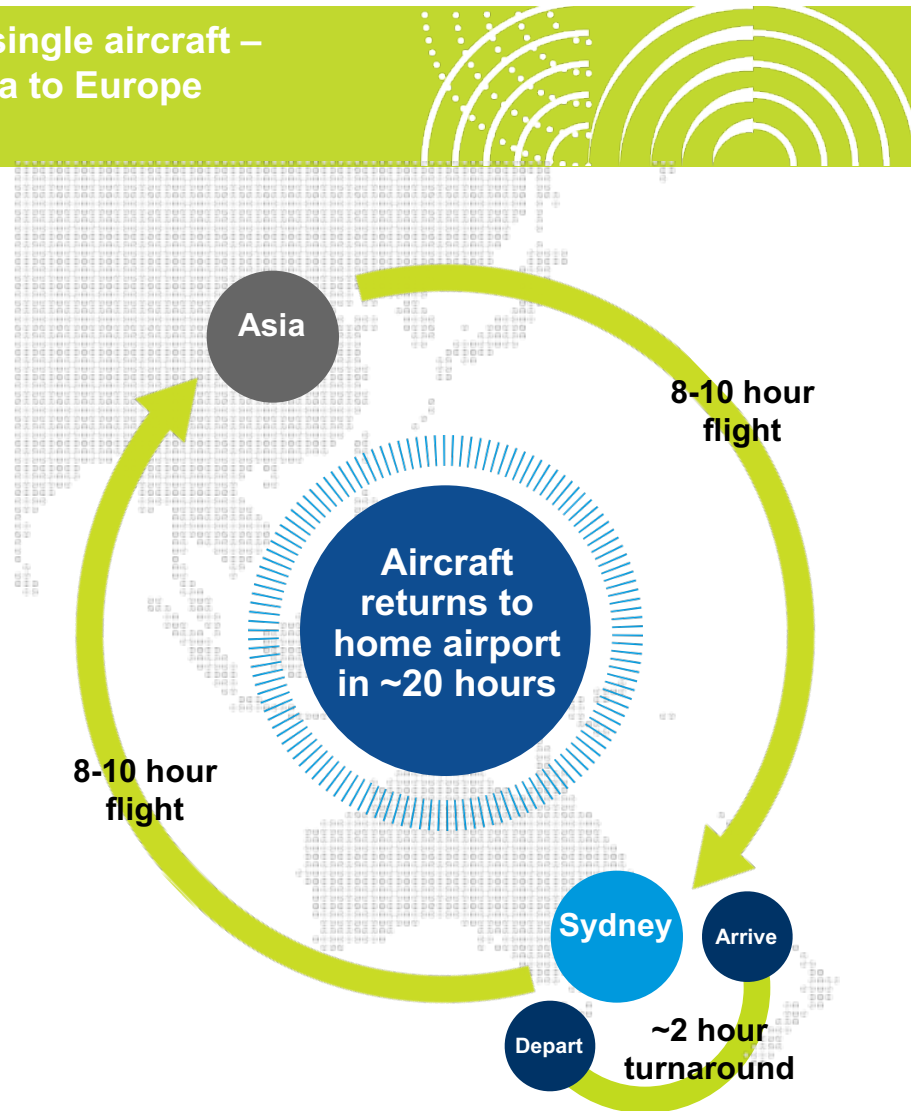




Daily flights from Asia can be served by a single aircraft – a significant competitive advantage vs. Asia to Europe or North America

Sydney is the largest airport for long haul, Chinese based airlines globally

- A major reason for this is that daily Asian flights can be served by a single aircraft – a significant competitive advantage vs. Asia to Europe or North America
- For these reasons, the ~8-10 hour sector is also ideal length for long haul, low-cost airlines
 - Scoot (SYD was the first global destination)
 - Cebu Pacific (SYD was the first Australian destination)
 - Jetstar
 - AirAsia X
- Importantly, airlines can serve destinations comprising 70% of the world's population within the range of a Boeing B787 and an Airbus A350

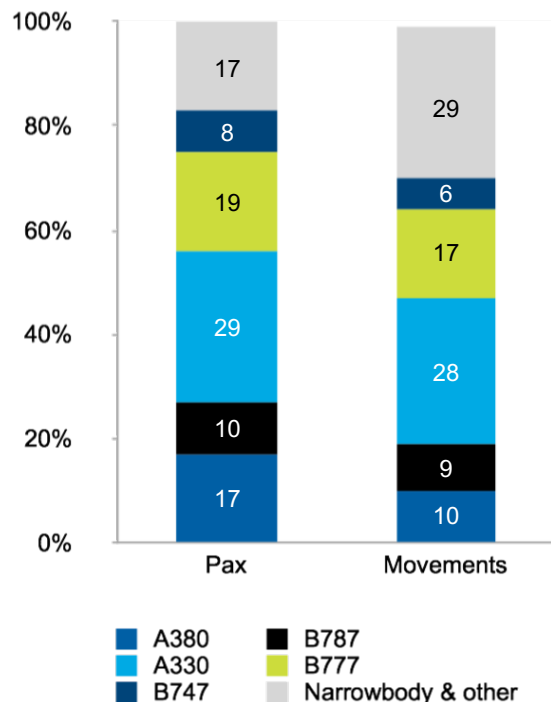


2 Optimise efficiencies, operations and capacity



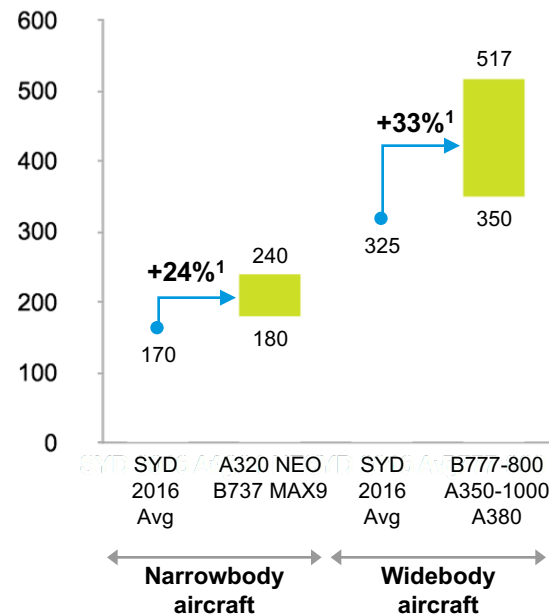
Examine / update policy settings to support future airline fleet mix and ensure NSW economic growth and competitive advantage is maintained

Today, passengers arriving and departing on A380s comprise 17% of Sydney Airport's international passengers



Going forward, aircraft manufacturers are introducing larger aircraft to replace current airline fleets

Seats per international aircraft



Sydney Airport is more artificially constrained than any airport in Australia

| AIRPORT | SYD | MEL | BNE | PER |
|------------------------------------|-----|-----|-----|-----|
| 15-minute rolling cap ² | ✓ | ✗ | ✗ | ✗ |
| Movement cap | ✓ | ✗ | ✗ | ✗ |
| Regional ringfence | ✓ | ✗ | ✗ | ✗ |
| Shoulder restrictions | ✓ | ✗ | ✗ | ✗ |
| Curfew | ✓ | ✗ | ✗ | ✗ |
| Preferential runway use | ✓ | ✓ | ✓ | ✓ |
| Noise abatement | ✓ | ✓ | ✓ | ✓ |

1. Indicative growth rates to midpoint of manufacturers certified seat range

2. 20 aircraft movements per 15 minutes

Improve access to the airport

Integrated planning and investment



Easy, reliable travel to and from the airport by car, taxi, public or active transport is vital to Sydney's national and international competitiveness and a high quality passenger experience



Sydney Airport – embedded in the Sydney metropolitan road network

- 150,000 people (passengers, airport workers, meeters/greeters) daily
- 52% of vehicles on the road between the international and domestic precinct are non-airport traffic
- Intensive residential and industrial growth around the airport is planned over next 10 years

An integrated, active approach to ground transport management

- Establishment of the Airport Operations Group comprising Sydney Airport, RMS, Transport Management Centre and NSW Police with 50-point short, medium and long-term action plan
- Investment in real-time traffic information systems and a new, state-of-the-art on-airport Landside Operations Centre is enabling active management of traffic flows to respond to peak periods and network disruption

Landside Operations Centre



Improve access to the airport

Projects completed



Projects delivering improved traffic flows, reduced congestion and increased capacity

A better performing T2/T3 one-way road network, increased capacity of major intersections and the T1 Centre Road have significantly improved traffic flow and reduced congestion

PROJECTS COMPLETED AT T2/T3

New one-way Seventh Street exit from precinct; significant reduction in traffic queues in peak periods

Widening of T2/T3 entry to five lanes, increased road capacity and improved traffic flows

New domestic T2/T3 pick-up areas to facilitate ridesharing (e.g. Uber), whilst also increasing pick-up spaces available and reducing congestion

New entry for taxis has reduced queuing

PROJECTS COMPLETED AT T1

Increased T1 International drop off space by 20%

Opening of new Centre Road for better access to precinct and car parks

Reconfigured car park entry and exits to ease traffic flows

Created dedicated bus drop off zone

T2/T3 Precinct – Seventh Street (Exit Road)



Entry into the T2/T3 Precinct



Improve access to the airport

Future projects



Future projects aim to minimise vehicle lane changes, smooth traffic flows to increase capacity and improve the passenger experience



Sydney Airport changes will make it easier for motorists to enter, move through and exit the precinct

- Minimise vehicle lane changes (reducing weaving)
- Smooth traffic flows by reducing/eliminating traffic lights
- Widen surrounding roads (Qantas Drive) to better connect to the T1 and T2/T3 road networks
- Separate pedestrians from vehicle traffic by providing new pedestrian/cycle infrastructure
- Improve / increase capacity for public buses, coaches and cars as part of integrated approach to ground transport

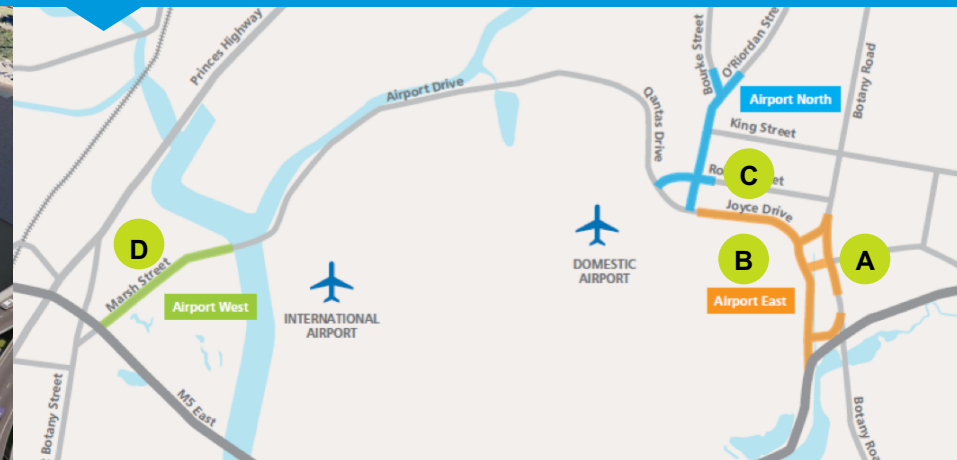
NSW Government projects will transform the access to the airport from all directions over the next two years

- A** A new connecting road from the Eastern Distributor to General Holmes Drive
- B** Widening of Joyce Drive to three lanes in each direction
- C** One-way road system around the Stamford Plaza block
- D** Widening of Marsh Street

Sydney Airport works – T1 Precinct concept



NSW Government works on surrounding roads



4 Enhance the customer experience



Sydney Airport is focused on capitalising on future “disruptions” to the global aviation industry to improve customer experience

Global
aviation
industry

1970s
“Sixth Freedom
Disruption”

1990s
“Gulf Carrier
Disruption”

2000s
“LCC
Disruption”

2016+
“Big Data
Transformation”

Source: Airline Leader “The Strategy Journal for Airline CEOs”, Centre for Asia Pacific Aviation

Capitalising on industry disruption to improve the customer experience

- Increasing the use of operational intelligence (e.g. weather forecasts, ground handler data feeds, CCTV, live traffic, car parking bookings) to better inform airport operations and improve the customer experience
- Adopting an integrated approach with airlines and government agencies on step-changes in passenger processing standards to improve efficiencies

The Department of Immigration and Border Protection has sought technology that would abolish incoming passenger cards, remove the need for most passengers to show their passports and replace manned desks with electronic stations and automatic triage.

‘World first’: Government moves to radically overhaul Australia’s international airports, Sydney Morning Herald, 22 January 2017





Capital expenditure guidance of \$1.3 billion over the next five years

2016 capex of \$385m

- To meet aviation demand and passenger growth, Sydney Airport delivered major upgrades and additional capacity to the airfield, terminals, ground transport and car parks
- Includes a \$21m write-off of WSA capital costs

2017-2021 capex forecast

- 2017-2021 capex guidance of \$1.3bn and \$450m in 2017
- Aeronautical capex linked to international aeronautical prices (increasing 4.3% from 1 July 2017)
- Currently considering major projects including T1 Pier A, apron and baggage expansion works
 - A decision on these major projects will follow stakeholder consultation for additional capacity and satisfying business case requirements
 - Project capex within the 2017-2021 period is ~\$500m, and is excluded from the capex guidance
- Projects only pursued if return hurdles are met

T1 Pier A – interior (concept)



T1 Pier A – exterior (concept)



Meet demand for aviation infrastructure

Sydney Airport delivering aviation growth



Flexibility to expand gate, apron and supporting infrastructure to grow Sydney Airport's capacity over the long term

Northern Ponds apron expansion and enhancements

Terminal 4 North & South and/or apron development

SSE Sector apron, terminal or other aeronautical facilities

T1 Pier A (3 new gates) and baggage expansion

Additional gate capacity by increasing utility and flexibility of remote aprons

SW Sector apron enhancements





A positive outlook for continued growth in 2017



- 2017 distribution guidance of 33.5 cents per stapled security¹ reflecting positive outlook for continued growth
- 2017-2021 capex guidance of \$1.3 billion, \$450 million in 2017 linked to 4.3% increase in international aeronautical prices
- Continuing with the WSA evaluation and market sounding process
- Focused on integrated, sustainable growth

Integrated, sustainable growth

- Partnerships and market development
- Optimise efficiencies, operations and capacity
- Improve access to the airport
- Enhance the customer experience
- Meet demand for aviation infrastructure

1. Guidance subject to aviation industry shocks and material forecast changes.



Sydney Airport



APPENDIX





Sydney Airport is one of the world's leading infrastructure assets



| | |
|---|--|
| 99 year leasehold | <ul style="list-style-type: none"> • Lease until 2097 |
| Catchment area | <ul style="list-style-type: none"> • 7.5m Sydney's catchment population |
| Strong passenger growth profile | <ul style="list-style-type: none"> • Sydney is both a business and tourism hub, in a growing NSW economy • Strong Asian connections – increasing urbanisation |
| International passengers | <ul style="list-style-type: none"> • Account for ~70% of passenger driven revenues • Significantly more valuable than domestic passengers |
| Commercial opportunities | <ul style="list-style-type: none"> • Downside protections via minimum guarantee mechanism • Investment required to meet strict hurdle rates of return |
| Light handed regulatory framework | <ul style="list-style-type: none"> • Direct agreements with airlines include contractually agreed charges increases • Dual till principle enshrined in light handed regulatory framework |
| Outsourced model | <ul style="list-style-type: none"> • Controllable operating costs contracted and traffic relatively inelastic |
| Consistent growth and downside protections | <ul style="list-style-type: none"> • Long term contracts with airlines and tenants • CPI or higher escalation on commercial revenues • Growth initiatives across all businesses |

Sydney Airport's contribution



Sydney Airport is a major generator of economic activity and jobs

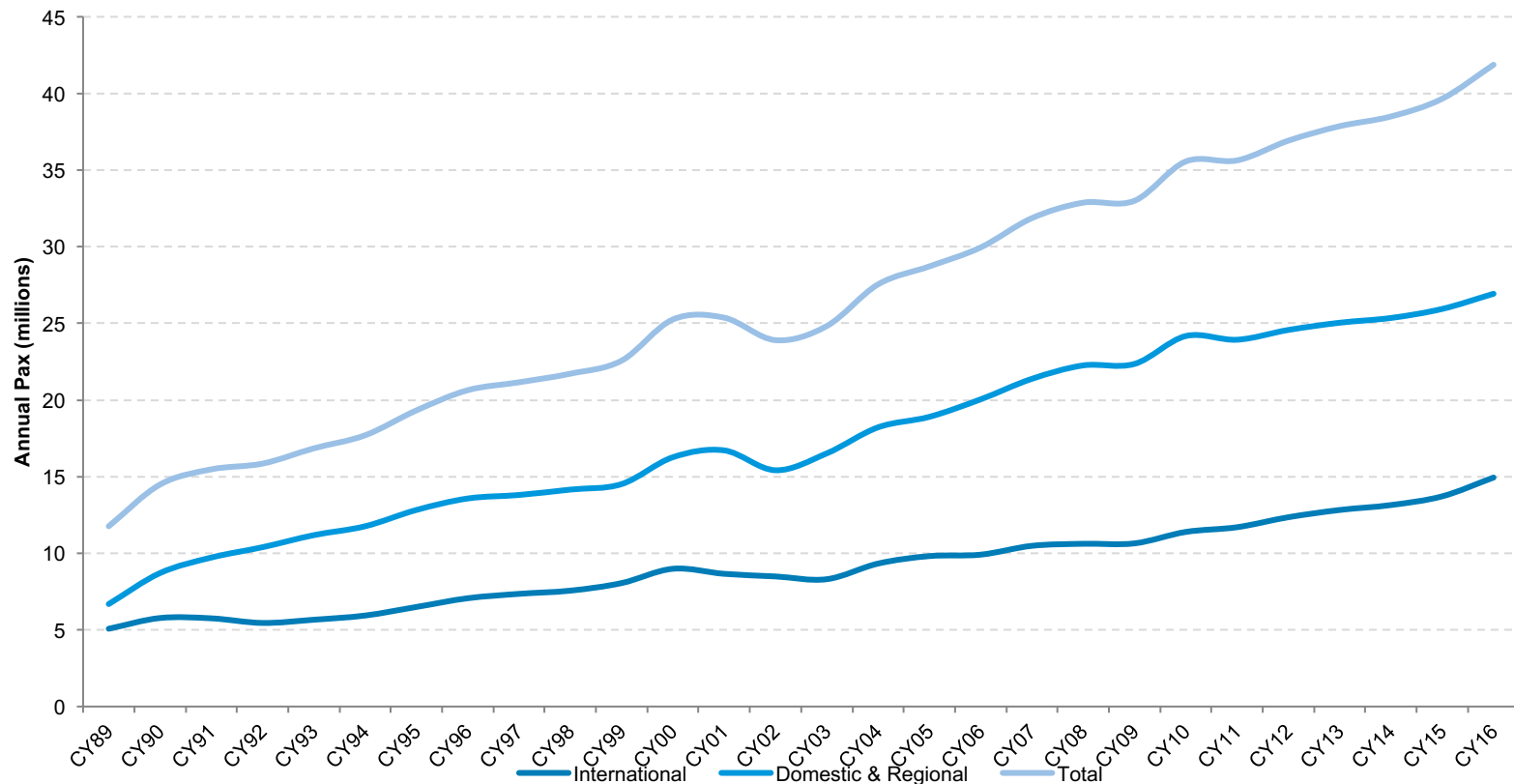


| | |
|-------------------------------------|---|
| Economic Activity | \$30.8 billion contributed in economic activity per annum, equivalent to 6.4% of the NSW economy |
| Jobs Generated | 306,700 jobs generated or facilitated, equivalent to 8.9% of NSW employment |
| Freight | \$14.6 billion of freight exports facilitated |
| Visitor Nights | International visitors arriving in Sydney spend 66 million nights in NSW in 2014 |
| Pre-paid package expenditure | \$92 per night |
| Household income | \$14.7 billion contributed to household incomes |
| Average airport wages | Average FTE wage of an employee working in the Sydney Airport precinct is 12% higher than NSW average |
| Additional daily A380 | \$451 million contributed to NSW economy from an additional daily A380 service to Sydney from China |

Long term traffic growth



Resilient passenger growth across all economic cycles





Consistent track record of growth

Passenger
growth



EBITDA
growth

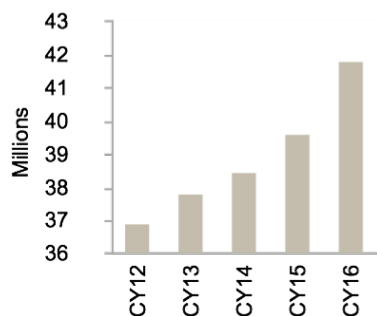


Cash flow
outcomes

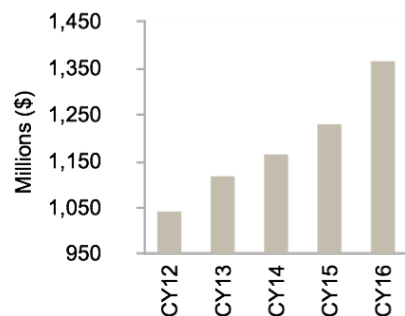


Investor
returns

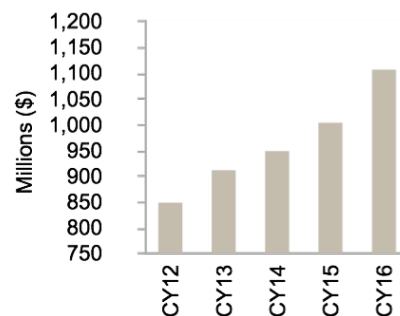
Total passengers



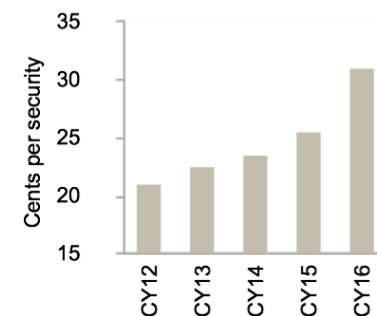
Total revenue



EBITDA



Distributions

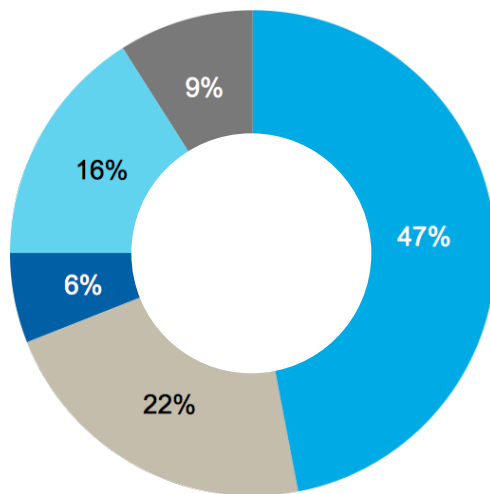


Highly diversified passenger and destination mix



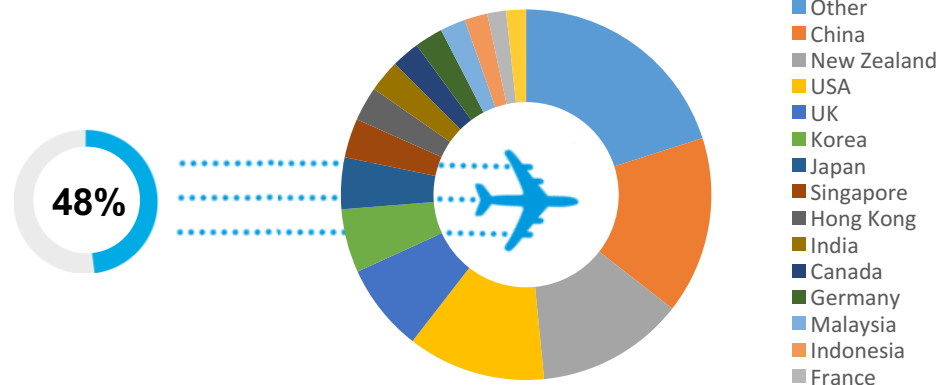
Significant diversity in passengers and destinations served by Sydney Airport

Diverse purpose of travel of Sydney Airport's international visitors (%)

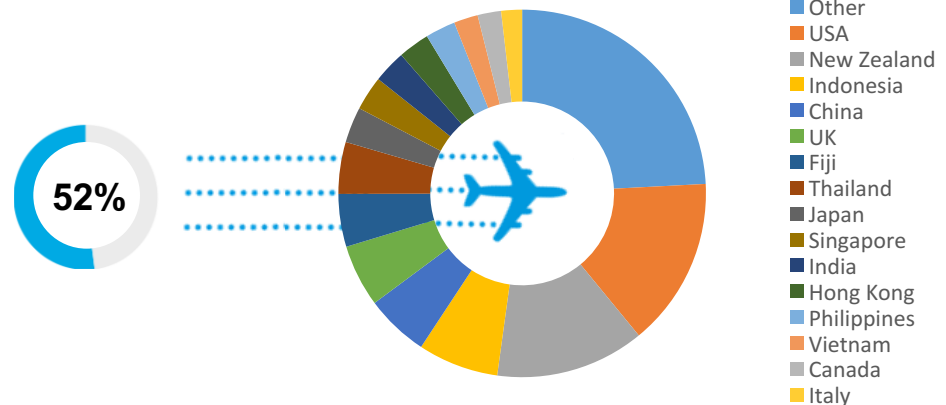


- Holiday
- VFR (visiting friends & relatives)
- Other
- Business
- Education

Foreign residency breakdown (%)



Australian destination breakdown (%)





Awards and achievements received in 2016



- Airport Excellence Awards (Customer Experience) – Australian Airports Association (AAA) Awards
- Employer of Choice – Australian Business Awards
- Chairman’s Award – Kerrie Mather – Aviation/Aerospace Australia
- Women’s Achievement in Infrastructure Award – Kerrie Mather – Infrastructure Partnerships Australia
- Project – Major Airport Award (Incident and Emergency Management Strategy) - Australian Airports Association (AAA)
- Australasian-Origin Offshore Corporate Bond Deal of the Year - KangaNews
- Top 4 Best Airports, 30-40 million passengers a year – Skytrax
- Top 3 Best Airports in Australia/Pacific – Skytrax
- Top 10 International Airport – Conde Nast Traveller
- Best Airport Oceania – Asian Freight, Logistics and Supply Chain (AFLAS) Awards
- Most Consistent Dividend Distributions – Alternative Investment Awards
- Most Supportive Airport Authority for sunglasses sales – Tax Free World Association Sunglasses Awards

Questions

