

## ASX Release

23 October 2009



### MAp

#### THIRD QUARTER 2009 RESULTS FOR SYDNEY AIRPORT

MAp today welcomes Sydney Airport's announcement of its results for the nine months to 30 September 2009 (see below)<sup>1</sup>, reporting an EBITDA (earnings before interest, tax, depreciation and amortisation) of A\$496.9m (excluding specific expenses), which represents an increase of 3.4% over the previous corresponding period (pcp).

SCACH (A\$m)	Q3 2009	Q3 2008	% Change	YTD to 30 Sep 2009	YTD to 30 Sep 2008	% Change
Revenue	212.0	202.6	+4.6%	616.5	599.8	+2.8%
Cost of Sales	(1.4)	(0.8)	-	(2.2)	(0.8)	-
Operating costs	(39.6)	(40.8)	-3.0%	(117.6)	(118.5)	-0.8%
<b>EBITDA (before specific expenses)</b>	<b>171.1</b>	<b>161.1</b>	<b>+6.2%</b>	<b>496.9</b>	<b>480.6</b>	<b>+3.4%</b>
Specific expenses	(0.1)	(0.1)	-	(0.5)	(1.0)	-
<b>EBITDA</b>	<b>171.0</b>	<b>160.0</b>	<b>+6.3%</b>	<b>496.4</b>	<b>479.5</b>	<b>+3.5%</b>

MAp CEO, Ms Kerrie Mather, said: "Sydney Airport continues to prove its resilience, delivering 3.4% EBITDA growth for the first nine months of 2009. The third quarter has demonstrated a significant recovery with traffic growth of 0.9% for the three months to September, the first quarter of growth since Q3 2008, and continued good cost control delivering EBITDA growth of 6.2% for the period.

<sup>1</sup> Results based on unaudited management accounts.

"The return of traffic growth, increased revenue from all businesses and ongoing cost discipline are testimony to the resilience of the MAp management model and its ability to respond to the changing needs of both passengers and airlines over the long term. The A\$500m state-of-the-art redevelopment of the International Terminal continues to plan, with the new Customs hall now open and an amazing range of retail outlets including a series of world and Australian firsts progressively being delivered over the next six months

"We welcome being ranked as one of the world's top ten airports by readers of the UK Condé Nast Traveller magazine, ahead of the completion of the International Terminal's redevelopment. Sydney remains well prepared for the future growth in the aviation industry.

"Sydney continues to attract new airlines and increased services. Building on the arrival of V Australia and Air Austral earlier this year, Sydney Airport welcomed another two new airlines in July. Delta Air Lines launched a daily service between Sydney, Los Angeles and Atlanta and Tiger Airways is now operating up to nine daily services to Melbourne and two daily services to Adelaide. In addition, Pacific Blue entered three new trans-Tasman markets during the quarter, namely Hamilton, Queenstown and Wellington, and now serves five markets in New Zealand," Ms Mather added.

Other key points to note from the nine months results include:

- Aeronautical revenues (excluding security recovery) increased by 4.8% to A\$245.7m on the last nine months, and by 8.1% on the last quarter reflecting ongoing levels of new investment.
- Retail revenues were 2% lower than pcp due to \$A5 million of one-off income in the second quarter of last year. Adjusting for this item, retail revenue grew 1.5% for the nine months. Underlying retail performance is roughly in line with traffic growth
- Operating expenses continue to be tightly controlled. Total operating expenses excluding recoverable security expenses and specific non recurring expenses decreased by 4.7% over pcp to A\$77.2 million (9M08: A\$80.9 million). Total operating expenses per passenger excluding recoverable security expenses and specific non-recurring

expenses decreased by 2.7 per cent to A\$3.22 per passenger (YTD CY2008: A\$3.31 per passenger).

- Total capital expenditure decreased by 10.0% on pcp to A\$229.9 million (9M08: A\$255.3 million). Capital expenditure comprised maintenance expenditure of A\$6.5 million and A\$223.4 million in growth expenditure. Major items of spend for the year included the T1 redevelopment, runway safety area works, Qantas seamless transfer facility, T1 ground power and pre-conditioned air equipment, common user terminal equipment and taxiway lighting.

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# Media Release

[www.sydneyairport.com](http://www.sydneyairport.com)

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## Nine Months 2009 Financial Results for Sydney Airport

**Sydney Airport<sup>1</sup> today announced a 3.4 per cent increase in earnings (excluding specific non-recurring expenses) for the nine months to 30 September 2009.**

Sydney Airport today announced an unaudited consolidated profit before depreciation and amortisation, net financing costs, income tax, and specific non-recurring expenses (EBITDA excluding specific non-recurring expenses) of A\$496.9 million for the nine months to 30 September 2009 (YTD CY2008: A\$480.5 million). EBITDA (including specific non-recurring expenses) increased to A\$496.4 million (YTD CY2008: A\$479.5 million).

EBITDA (excluding specific non-recurring expenses) for the nine months to 30 September 2009 represents a 3.4 per cent increase in earnings over the previous corresponding period (pcp). EBITDA (including specific non-recurring expenses) increased by 3.5 per cent on the pcp.

Sydney Airport's Chief Executive Officer, Russell Balding, said that the airport had achieved a sound result in the first nine months. Even more pleasing is the growth over the third quarter: Sydney airport's total traffic increased 0.9%, total revenue was up 4.6%, total operating expenses were down 3.2%. EBITDA before specifics was up 6.2%.

"During the quarter passenger volumes returned to growth and Sydney Airport was voted one of the top ten airports in the world by readers of the UK Condé Nast Traveller magazine. It was great recognition for the improvements underway at the International Terminal."

"The International Terminal has been enlarged and upgraded to provide passengers with more space and more choice with a greater range of food and beverage outlets. The work on the upgrade is not due to be completed until mid-2010, but a key milestone was achieved in September with the opening of the new outward processing Customs hall and security screening area as well as new retail outlets."

"Sydney Airport continues to attract new airlines and services. In addition to new entrants V Australia and Air Austral which made their Sydney debuts during the first half of the year, Sydney Airport welcomed another two new airlines in July. Delta Air Lines launched a daily service between Sydney, Los Angeles and Atlanta and Tiger Airways is now operating up to nine daily services to Melbourne and two daily services to Adelaide. We

1. Southern Cross Airports Corporation Holdings Limited (SCACH) is the parent company of Sydney Airport Corporation Limited (SACL).

were pleased to see that yesterday Tiger announced the commencement of their third route out of Sydney and will start Gold Coast services in December 2009. In addition, Pacific Blue entered three new trans-Tasman markets, namely Hamilton, Queenstown and Wellington and now serves 5 markets in New Zealand," Mr Balding said.

## **Revenue**

For the first nine months, total revenue from all business units rose 2.8 per cent over pcp to A\$616.5 million (YTD CY2008: A\$599.8 million).

Against a very challenging global backdrop for the aviation industry, Sydney Airport recorded positive traffic growth during the quarter with both international and domestic traffic contributing to the result.

Retail revenue for the year to date is lower than pcp due to \$A5 million of one-off income last year. Adjusting for this item, retail revenue grew 1.5 per cent. The T1 redevelopment is currently on track with more food and beverage stores opening during the quarter, including Asukaze, Red Rooster, Santos, Boost Juice, Mrs Fields, Seafood Bar - Caviar House & Prunier, Bambini Wine Room, Krispy Kreme and Subway. In addition, specialty retail stores that opened during the same period include Burberry, Tie Rack and Pure Silver.

Commercial trading revenue for the year to date increased by 1.4 per cent over pcp. During the quarter, the new T2 passenger pick-up area was opened to provide more spaces, more free pick-up time and less congestion. The change will benefit passengers using T2 although passengers using T3 may also elect to use the new facility.

Property revenue for the year to date grew with beneficial results achieved from new developments and the successful re-negotiations of existing leases.

## **Operating Expenses**

Operating expenses continue to be tightly controlled. For the first nine months, total operating expenses excluding recoverable security expenses and specific non recurring expenses decreased by 4.7 per cent over pcp to A\$77.2 million (YTD CY2008: A\$80.9 million). Total operating expenses per passenger excluding recoverable security expenses and specific non-recurring expenses decreased by 2.7 per cent to A\$3.22 per passenger (YTD CY2008: A\$3.31 per passenger).

Total operating expenses including specific non-recurring expenses decreased by 1.2 per cent on pcp to A\$118.1 million (YTD CY2008: A\$119.5 million).

## **Capital Expenditure**

For the first nine months, total capital expenditure decreased by 10.0 per cent on pcp to A\$229.9 million (YTD CY2008: A\$255.3 million). Capital expenditure comprised maintenance expenditure of A\$6.5 million and A\$223.4 million in growth expenditure. Major items of spend for the year included the T1 redevelopment, runway safety area

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**Issued by Sydney Airport, Public Affairs**

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works, Qantas seamless transfer facility, T1 ground power and pre-conditioned air equipment, common user terminal equipment and taxiway lighting.

## SYDNEY AIRPORT FINANCIAL HIGHLIGHTS

Thousands	Q3 2009	Q3 2008	%	CY 2009	CY 2008	%
	SCACH	SCACH		SCACH	SCACH	
	Group	Group		Group	Group	
Quarter / Year to date - from:	01-Jul-09	01-Jul-08		01-Jan-09	01-Jan-08	
Quarter / Year to date - to:	30-Sep-09	30-Sep-08		30-Sep-09	30-Sep-08	
<b>Revenues</b>						
Aeronautical	86,325	79,828	8.1%	245,756	234,390	4.8%
Aeronautical security recovery	18,529	18,346	1.0%	54,561	53,846	1.3%
Retail	48,383	47,469	1.9%	139,832	142,735	-2.0%
Property	27,399	26,439	3.6%	87,126	81,101	7.4%
Commercial trading	30,139	29,093	3.6%	85,553	84,397	1.4%
Other	1,249	1,445	-13.5%	3,710	3,322	11.7%
<b>Total revenues</b>	<b>212,025</b>	<b>202,621</b>	<b>4.6%</b>	<b>616,538</b>	<b>599,791</b>	<b>2.8%</b>
<b>Cost of sales</b>	1,447	789	83.4%	2,162	789	174.1%
<b>Other income</b>						
Profit on sale / (loss on disposal) of non current assets	75	37	104.5%	75	58	29.9%
<b>Operating expenses</b>						
Labour	9,367	9,860	-5.0%	26,739	28,016	-4.6%
Services and utilities	23,306	22,205	5.0%	68,180	65,070	4.8%
Other operational costs	2,594	3,938	-34.1%	9,734	11,585	-16.0%
Property and maintenance	4,285	4,774	-10.2%	12,894	13,839	-6.8%
Specific expenses:	64	138	-53.6%	515	1,035	-50.3%
<b>Total operating expenses before specific expenses</b>	<b>39,552</b>	<b>40,777</b>	<b>-3.0%</b>	<b>117,547</b>	<b>118,511</b>	<b>-0.8%</b>
<b>Total operating expenses</b>	<b>39,617</b>	<b>40,915</b>	<b>-3.2%</b>	<b>118,061</b>	<b>119,546</b>	<b>-1.2%</b>
<b>EBITDA before specific expenses</b>	<b>171,100</b>	<b>161,092</b>	<b>6.2%</b>	<b>496,904</b>	<b>480,549</b>	<b>3.4%</b>
<b>EBITDA</b>	<b>171,036</b>	<b>160,953</b>	<b>6.3%</b>	<b>496,389</b>	<b>479,514</b>	<b>3.5%</b>
<b>Capital expenditure</b>	<b>70,203</b>	<b>97,387</b>	<b>-27.9%</b>	<b>229,916</b>	<b>255,328</b>	<b>-10.0%</b>
<b>\$ per passenger measures</b>						
Revenue	25.36	24.44	3.8%	25.73	24.53	4.9%
Operating expenses before specific expenses	4.73	4.92	-3.8%	4.91	4.85	1.2%
Operating expenses	4.74	4.94	-4.0%	4.93	4.89	0.8%
EBITDA before specific expenses	20.47	19.43	5.3%	20.74	19.65	5.5%
EBITDA	20.46	19.42	5.4%	20.72	19.61	5.6%
Capex	8.40	11.75	-28.5%	9.60	10.44	-8.1%

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