Macquarie Airports Management Limited
ABN 85 075 295 760
AFS Licence No. 236875
A member of the Macquarie Group of Companies

No. 1 Martin Place
SYDNEY NSW 2000
GPO Box 4294
SYDNEY NSW 1164
AUSTRALIA

Telephone +61 2 8232 9634
Facsimile +61 2 8232 4713
Internet www.macquarie.com.au/map
Our Ref 1662101_1.DOC

23 February 2009

ASX RELEASE

MACQUARIE

MACQUARIE AIRPORTS
SYDNEY AIRPORT CAPITAL MANAGEMENT

Macquarie Airports (MAp) notes the attached announcement from Sydney Airport.

Sydney Airport's shareholders have proactively decided to strengthen the balance sheet of the airport and replace the tranches of debt maturing this year with equity.

This will enable the airport's management to focus on delivering the key growth and service initiatives planned at the airport.

The total shareholder contribution is sufficient to ensure the A$870m in term debt maturing at the end of 2009 is fully extinguished.

It is expected that MAp will make its full pro rata contribution[1]. This will be funded entirely from its existing cash reserves of A$1.4bn[2].

Post completion of the shareholder contribution, Sydney Airport's net senior debt will be approximately A$4.5bn and its net senior debt/EBITDA ratio will be lowered to under 7.5x. The airport will have no further material debt maturities until September 2011. Sydney Airport currently enjoys investment grade credit ratings of BBB from Standard & Poor's and Fitch and Baa2 from Moody's.

Sydney Airport continues to deliver solid results against the current external backdrop, reporting EBITDA growth (before specific items) of 7.4% for 2008, and remains Australia's premier international gateway. However, its shareholders believe it is prudent, given the current external environment, to implement a deleveraging strategy.

MAp Chief Executive Officer, Ms Kerrie Mather, said, "MAp's strong balance sheet and sound financial position, coupled with the actions undertaken as part of last year's Portfolio and Capital Management Review, enable our commitment to be fully funded from internal resources. MAp continues to actively manage our airport businesses to deliver the best possible performance in the current challenging conditions and to review capital structures to ensure they remain appropriate.

As a consequence of MAp's proposed contribution to the Sydney Airport deleveraging, MAp will cease its current buyback program for up to A$1bn of MAp securities which commenced on 27 November 2008. Once the Sydney Airport contribution has completed, MAp will re-evaluate the uses for its remaining surplus cash balance. Post the further investment in Sydney Airport, MAp expects to have a cash balance which will remain in excess of A$500m.

Ms Mather added, "Our proactive approach means that we are in a position to announce preliminary distribution guidance for 2009 of A$0.27 per stapled security[3].

"Cancelling the buyback was not an easy decision, but we believe that the actions we have outlined today ensure that MAp and its airport businesses remain well-placed for the current external environment and are in the best interests of security holders."

For further information, please contact:

Investor Enquiries:		Media Enquiries:	
Keith Irving		Karen Halbert	
Head of Investor Relations		Public Affairs Manager	
Tel:	+61 2 8232 4287	Tel:	+61 2 8232 6755
Mob:	+61 417 254369	Mob:	+61 412 119389
Email:	keith.irving@macquarie.com	Email:	karen.halbert@macquarie.com

1 The beneficial ownership of Sydney Airport is as follows: MAp 72.4%, Ontario Teachers Pension Plan 10.6%, Sydney Airport Intervest GmBH 10.5%, Hochtief AirPort GmBH 2.8%, MTAA 2.9%, UniSuper 0.6% and Colonial First State Infrastructure & Utilities Fund 0.3%.

2 As at 31 December 2008, MAp's proforma cash balance was A$1.4bn, taking into account the 2008 final distribution of A$0.14 per stapled security and it's A$370m contribution to Sydney Airport's capital expenditure funding, announced on 26 November 2008.

3 Subject to external shocks to the aviation industry or any material changes to forecast assumptions.

MEDIA RELEASE

www.sydneyairport.com

Sydney Airport

FUNDING FINALISED FOR 2009 FINANCING REQUIREMENTS

Sydney Airport advises it has reviewed and finalised the funding of its capital requirements for 2009.

Sydney Airport's shareholders have made the proactive decision to invest further equity and deleverage the company's capital structure by repaying A$870m in term debt maturing in September and November 2009.

The equity contributions will be received by the company in sufficient time to repay the facilities well ahead of their maturity at the end of the year.

Once the $870 million in maturing facilities have been repaid, Sydney Airport will have no further term debt maturities until September 2011. In addition, Sydney Airport announced on 26 November 2008 that it had successfully raised debt of A$776m to support its capital requirements to the end of 2012.

Sydney Airport continues to deliver solid results in the current environment. On 23 January, the airport announced that EBITDA growth (before specific items) for 2008 was 7.4%. Sydney Airport remains Australia's premier international gateway and is currently undertaking a significant redevelopment of the international terminal.

After the shareholder contribution is received, Sydney Airport's proforma net senior debt will be approximately A$4.5 billion, its net senior debt/EBITDA ratio will be lowered to under 7.5x. Sydney Airport currently enjoys investment grade credit ratings of BBB from Standard & Poor's and Fitch and Baa2 from Moody's.

23 February 2009

For further information contact:
Michael Samaras
Manager Media and Communications: (02) 9667 6470 or 0437 033 479