MAp
FINANCIAL REPORT FOR YEAR ENDED 31 DECEMBER 2009

MAp (formerly Macquarie Airports) comprising MAp Airports Trust 1 (formerly Macquarie Airports Trust (1)) and its controlled entities

MAp Airports Trust 2 (formerly Macquarie Airports Trust (2)) and its controlled entities

Financial Report
for year ended 31 December 2009

Financial Report
for year ended 31 December 2009

Contents

Financial Report
for year ended 31 December 2009

Financial Report
for year ended 31 December 2009

Introduction to the Financial Report

Overview of MAp

MAp invests in airports worldwide. MAp currently holds investments in Sydney Airport, Brussels Airport, Copenhagen Airports and Grupo Aeroportuario del Sureste ("ASUR"). During the year MAp disposed of its interest in Japan Airport Terminal ("JAT") and a portion of its interest in Bristol Airport and acquired additional interests in Sydney Airport and Copenhagen Airports.

MAp is a triple stapled security listed on the Australian Securities Exchange. Stapled securities are two or more securities that are quoted and traded as if they were a single security. A MAp stapled security consists of a unit in MAp Airports Trust 1 ("MAT1", formerly Macquarie Airports Trust (1)), a unit in MAp Airports Trust 2 ("MAT2", formerly Macquarie Airports Trust (2)) and a share in MAp Airports International Limited ("MAIL", formerly Macquarie Airports Limited).

MAp's Airport Investments

MAp's total beneficial interest in each of the underlying airport assets in which it has invested at 31 December 2009 is provided in the table below.

	Sydney Airport %	Brussels Airport %	Copenhagen Airports %	Bristol Airport %	JAT %	ASUR %
MAp Interest*						
As at 31 December 2009	**74.0**	**36.0**	**30.8**	**1.0**	**-**	**16.0**
As at 31 December 2008	72.1	36.0	26.9	35.5	14.9	16.0

* Excluding minority interest.

The following table outlines the fair values of each of MAp's investments as at 31 December 2009. The fair values have been determined in accordance with a valuation framework adopted by the directors. Discounted cash flow analysis is the methodology applied in the valuation framework.

	Sydney Airport* $m	Brussels Airport** $m	Copenhagen Airports** $m	Bristol Airport $m	JAT $m	ASUR*** $m
As at 31 December 2009						
Direct interest	**4,370.9**	**947.3**	**972.3**	**6.4**	**-**	**274.9**
LESS: Minority interest	**-**	**-**	**-**	**-**	**-**	**-**
MAp beneficial interest	**4,370.9**	**947.3**	**972.3**	**6.4**	**-**	**274.9**
As at 31 December 2008						
Direct interest	3,621.1	1,114.3	1,054.3	336.8	372.8	252.0
LESS: Minority interest	-	-	-	-	(93.0)	-
MAp beneficial interest	3,621.1	1,114.3	1,054.3	336.8	279.8	252.0

* As MAp holds a controlling interest in Sydney Airport of 74.0% at 31 December 2009, the financial position and results of this airport are consolidated into the MAp financial report. Accordingly the value of MAp's investment in Sydney Airport does not appear in the MAp financial report at 31 December 2009.

** MAp held a controlling interest in Copenhagen Airports of 53.7% and in Brussels Airport of 62.1% up to 5 November 2008, the date MAp partially divested its investments in these airports. MAp therefore consolidated the financial position and results of these airports into the MAp financial report from the beginning of the prior year up to that date. The value ascribed to MAp's investment in Copenhagen Airports is net of the external debt of Copenhagen Airports Denmark Holdings A/S.

*** Including 7.9% through a series of swap agreements.

Directors' Report
for year ended 31 December 2009

Directors' Report

In respect of the year ended 31 December 2009, the directors of MAp Airports Limited ("MAPL" or "the Responsible Entity", formerly Macquarie Airports Management Limited) submit the following report on the consolidated financial report of MAp Airports Trust 1 ("MAT1", formerly Macquarie Airports Trust (1)). UIG 1013: *Consolidated Financial Reports in relation to Pre-Date-of-Transition Stapling Arrangements* requires one of the stapled entities of an existing stapled structure to be identified as the parent entity for the purpose of preparing consolidated financial reports. In accordance with this requirement, MAT1 has been identified as the parent of the consolidated group comprising MAT1 and its controlled entities, MAp Airports Trust 2 ("MAT2", formerly Macquarie Airports Trust (2)) and its controlled entities and MAp Airports International Limited ("MAIL", formerly Macquarie Airports Limited) and its controlled entities together acting as MAp Airports ("MAp" or "the Group", formerly Macquarie Airports).

In respect of the year ended 31 December 2009, the directors of the Responsible Entity submit the following report on the consolidated financial report of MAT2 being MAT2 and its controlled entities (the "MAT2 Group").

Principal Activities

The principal activity of MAp and the MAT2 Group (together "the Groups") is investment in airport assets. The investment policy of the Groups is to invest funds in accordance with the provisions of the governing documents of the individual entities within the Groups.

There were no significant changes in the nature of the Groups' activities during the year.

Directors

The following persons were directors of the Responsible Entity during the whole of the year and up to the date of this report:

- Max Moore-Wilton (Chairman)
- Trevor Gerber
- Michael Lee
- Bob Morris

John Roberts was appointed as a director on 15 October 2009.

The following persons were directors of MAIL during the whole of the year and up to the date of this report:

- Jeffrey Conyers (Chairman)
- Sharon Beesley
- Stephen Ward
- Max Moore-Wilton

Interests in the Group held by the directors of the Responsible Entity and MAIL during the year are disclosed in Note 25 to the financial report.

Distributions

The total distribution for MAp for the year ended 31 December 2009 was 21 cents per stapled security (2008: 27 cents per stapled security). This distribution was paid by MAT1 (13 cents) and by MAIL (8 cents). An interim distribution of 13 cents per stapled security (2008: 13 cents per stapled security) was paid by MAT1 on 19 August 2009. A final distribution of 8 cents (2008: 14 cents per stapled security paid by MAT1) was paid by MAIL on 18 February 2010.

No distribution was paid by MAT2 for the year ended 31 December 2009 (2008: nil).

Directors' Report
for year ended 31 December 2009

Review and Results of Operations

The performance of the Groups for the year, as represented by the combined result of their operations, was as follows:

	MAp Consolidated 2009 $'000	MAp Consolidated 2008 $'000	**MAT2 Consolidated 2009 $'000**	MAT2 Consolidated 2008 $'000
Revenue from continuing operations	**946,377**	2,148,488	**45,046**	15,833
Other income	**266,241**	2,868,393	**2**	69,795
Total revenue and other income from continuing operations	**1,212,618**	5,016,881	**45,048**	85,628
(Loss)/profit from continuing operations after income tax expense	**(615,077)**	2,239,562	**(232,293)**	(222,870)
(Loss)/profit attributable to MAp security holders / MAT2 unitholders	**(572,696)**	2,070,451	**(194,864)**	(163,014)
Basic earnings per stapled security / unit	**(33.11)c**	120.50c	**(11.27)c**	(9.49)c
Diluted earnings per stapled security / unit	**(33.11)c**	99.37c	**(11.27)c**	(9.49)c

Significant Changes in State of Affairs

MAp

Buyback of MAp securities

On 27 November 2008, MAp commenced an on-market buyback of MAp stapled securities utilising existing cash reserves. On 23 February 2009, MAp announced the cessation of the buyback program. From 1 January 2009 to 23 February 2009, 7.5 million stapled securities were bought back for consideration of $17.6 million. In total 12.5 million stapled securities were purchased during the buyback for a total consideration of $27.4 million.

Recapitalisation of Sydney Airport

On 13 January 2009, Southern Cross Airports Corporation Holdings Limited ("SCACH"), the holding company for Sydney Airport, issued new stapled securities to existing shareholders to raise $263.0 million in new capital of which MAp contributed $199.3 million. $144.4 million of the MAp contribution was paid on 27 November 2008 as an early equity contribution. The remaining $54.9 million was paid on 13 January 2009 when the equity issue was completed.

On 27 March 2009, SCACH issued stapled securities to existing shareholders to raise an additional $870.0 million in new capital of which MAp contributed $710.6 million. The capital raising process was by way of completion of a subscription and on-sell option agreement. Under this Agreement, a shareholder external to MAp was granted an option to on-sell their proportionate share of newly issued SCACH stapled securities to MAp and one other shareholder. On 24 April 2009 part of the option was exercised and MAp contributed an additional $51.4 million for the securities put to MAp. On 10 July 2009 the remaining option lapsed.

JAT buyback

On 20 May 2009, MAp announced its intention to tender its entire 14.9% interest in Japan Airport Terminal ("JAT") into JAT's buyback tender offer. JAT shareholders approved the buyback on 26 June 2009. The buyback was completed on 3 August 2009 and MAp disposed of its entire interest in JAT. Gross sale proceeds approximated $260.0 million (including the benefit of hedging arrangements that were previously entered into).

Internalisation of management

On 24 July 2009, MAp announced that it had reached agreement with Macquarie Group Limited ("Macquarie") to internalise the management of MAp for a negotiated fee of $345.0 million for the termination of management arrangements with Macquarie. The internalisation proposal was approved by a vote of security holders on 30 September 2009.

MAp implemented the internalisation on 15 October 2009 by MAT2 Holdings Pty Limited, a wholly owned subsidiary of MAT2, acquiring all the issued capital of MAp Airports Limited (MAPL) (formerly Macquarie Airports Management Limited), the responsible entity for MAT1 and MAT2, and ending the Advisory Agreement between MAIL and a Macquarie subsidiary. MAp separately made employment offers to senior management.

Directors' Report
for year ended 31 December 2009

Significant Changes in State of Affairs (continued)

Entitlement Offer

On 28 August 2009, MAp announced that to replenish cash reserves post the funding of the internalisation fee of $345.0 million it would undertake a 1 for 11 non-renounceable pro-rata entitlement offer at $2.30 per stapled security. As a result of the entitlement offer an additional 155.1 million stapled securities in MAp were issued and a total of $356.7 million in additional capital was raised.

Divestment of Bristol Airport

On 16 September 2009, MAp announced that it had agreed to divest its 35.5% interest in Bristol Airport to Ontario Teachers' Pension Plan ("OTPP") for GBP127.7 million. The sale to OTPP was concluded on 21 December 2009 with an initial 34.5% of MAp's interest being transferred to OTPP and a put and a call option being put in place over the remaining 1% for an exercise price of GBP3.6 million. The put option may be exercised by MAp at any time during the six month period from the completion of the refinancing of the Bristol airport debt facility, the call option may be exercised by OTPP at any time during the six months commencing from the end of the put option. Gross sales proceeds were GBP124.1 million ($232.5 million).

Additional investment in Copenhagen Airports

MAp further announced on 16 September 2009 that it would acquire an additional 3.9% interest in Copenhagen Airports from OTPP for a consideration of DKK569.5 million ($123.4 million). The additional investment was concluded on 21 December 2009, increasing MAp's total interest in Copenhagen Airports to 30.8%. The additional interest is held directly and not through the existing holding structure.

TICkETS Redemption

On 10 November 2009, MAREST notified holders of Tradeable Interest-bearing Convertible to Equity Trust Securities (TICkETS) that MAREST (formerly Macquarie Airports Reset Exchange Securities Trust) would redeem all 7.6 million outstanding TICkETS for cash on 31 December 2009, for $105.26 each. Consequently MAT1 repaid both the OLA and FOLA loans to MAREST.

The total redemption of $800.5 million on 31 December 2009 was funded by MAp.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Group that occurred during the year under review.

MAT2 Group

Buyback of MAp securities

On 27 November 2008, MAp commenced an on-market buyback of MAp stapled securities utilising existing cash reserves. On 23 February 2009, MAp announced the cessation of the buyback program. From 1 January 2009 to 23 February 2009, 7.5 million stapled securities were bought back for consideration of $17.6 million of which MAT2 contributed $4.1 million. In total 12.5 million stapled securities were purchased during the buyback for a total consideration of $27.4 million of which MAT2 contributed $6.2 million.

Recapitalisation of Sydney Airport

On 13 January 2009, Southern Cross Airports Corporation Holdings Limited ("SCACH"), the holding company for Sydney Airport, issued new stapled securities to Southern Cross Australian Airports Trust ("SCAAT"), the holding company of the MAT2 group's investment in Sydney Airport, to raise $163.9 million in new capital. $105.4 million of the SCAAT contribution was paid on 27 November 2008 as an early equity contribution. The remaining $42.7 million was paid on 13 January 2009 when the equity issue was completed.

On 27 March 2009, SCACH issued stapled securities to SCAAT to raise an additional $542.1 million in new capital. The capital raising process was by way of completion of a subscription and on-sell option.

Directors' Report
for year ended 31 December 2009

Significant Changes in State of Affairs (continued)

Restructure for MASKS2 and MASKS3

On 16 February 2009, MAT2 acquired MAp Airports Sydney Kingsford Smith No. 2 Pty Limited ("MASKS2", formerly Macquarie Airports Sydney Kingsford Smith No. 2 Pty Limited), from MAT1. MASKS2 joined the MAT2 tax consolidated group from that date.

On 25 June 2009 MAT2 acquired MAp Airports Sydney Kingsford Smith No. 3 Pty Limited ("MASKS3"", formerly Macquarie Airports Sydney Kingsford Smith No. 3 Pty Limited), from MAp Airports International Limited ("MAIL"). MASKS3 joined the MAT2 tax consolidated group from that date.

Internalisation of management

On 24 July 2009, MAp announced that it had reached agreement with Macquarie Group Limited ("Macquarie") to internalise the management of MAp for a negotiated fee of $345.0 million for the termination of management arrangements with Macquarie. The internalisation and fee was approved by a vote of security holders on 30 September 2009.

MAp implemented the internalisation on 15 October 2009 by MAT2 Holdings Pty Limited ("MHPL"), a wholly owned subsidiary of MAT2, acquiring all the issued capital of MAp Airports Limited ("MAPL", formerly Macquarie Airports Management Limited), the responsible entity for MAT1 and MAT2, and ending the Advisory Agreement between MAIL and a Macquarie subsidiary. MAp separately made employment offers to senior management. MHPL and MAPL joined the MAT2 tax consolidated group on 14 July 2009 and 15 October 2009 respectively.

Entitlement Offer

On 28 August 2009, MAp announced that to fund the internalisation fee of $345.0 million it would undertake a 1 for 11 non-renounceable pro-rata entitlement offer at $2.30 per stapled security. As a result of the entitlement offer an additional 155.1 million stapled securities in MAp were issued and a total of $356.7 million in additional capital was raised of which $68.0 million was allocated to MAT2.

TICKETS redemption

On 10 November 2009, MAREST notified holders of Tradeable Interest-bearing Convertible to Equity Trust Securities (TICkETS) that MAREST would redeem all 7.6 million outstanding TICKETS for cash on 31 December 2009, for $105.26 each.

The total redemption of $800.5 million on 31 December 2009 was funded by MAp.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Group that occurred during the year under review.

Events Occurring after Balance Sheet Date

A final distribution of 8.00 cents (2008: 14.00 cents) per stapled security was paid by MAIL (2008: MAT1) on 18 February 2009.

On 17 December 2009 MAp received an exercise notice of a put option in respect of Global Infrastructure Fund II's (GIF II) 3% beneficial interest in Brussels Airport. This put option was triggered as a resut of the internalisation of MAp's management. This acquisition reached financial close on 21 January 2010 for total consideration of EUR46.6 million ($75.8 million). This acquisition increases MAp's beneficial interest in Brussels Airport from 36.0% to 39.0%.

Since the end of the year, the directors of the Responsible Entity are not aware of any other matter or circumstance not otherwise dealt with in the financial report that has significantly affected or may significantly affect the operations of the Groups, the results of those operations or the state of affairs of the Groups in years subsequent to the year ended 31 December 2009.

Likely Developments and Expected Results of Operations

Further information on likely developments relating to the operations of the Groups in future years and the expected results of those operations has not been included in this report because the directors of the Responsible Entity believe it would be likely to result in unreasonable prejudice to the Groups.

Directors' Report
for year ended 31 December 2009

Remuneration Report

Contents

1. Introduction

This Remuneration Report includes information on MAp's NEDs and senior executives.

Due to its corporate structure, MAp is not required to publish a remuneration report under the Corporations Act 2001. MAp voluntarily discloses unaudited details of senior executive remuneration from 16 October 2009, the date on which MAp ceased to be Macquarie managed and the senior executives became directly employed by MAp. Prior to this date, MAp's senior executives were employed and remunerated by Macquarie Group Limited (Macquarie) which, in return, received base management and, potentially, performance fees in return.

2. Nomination & Remuneration Committee

The senior executive remuneration pool for the period from 16 October 2009 to 31 December 2010 (and fixed annual remuneration for 2010) was determined by MAp's Independent Board Committees as part of the internalisation. Individual senior executive remuneration was board approved.

Going forward, the newly constituted Nomination & Remuneration Committee will assist and advise the board on the remuneration framework, policies and practices for MAp directors and staff. The framework is designed to attract, retain and motivate staff, be fair having regard to MAp and executives' individual performance and align with current governance and legal requirements.

3. Remuneration Framework

MAp's remuneration framework motivates directors and senior executives to pursue long term growth as well as enabling MAp to attract and retain high performers. The framework is designed to incentivise executives to achieve challenging key performance indicators (KPIs), align executive rewards with the creation of long term security holder value and attract and retain high calibre individuals.

When determining senior executive remuneration levels, the role, responsibilities, contribution, performance and experience of the individual is taken into account. Benchmarking data relevant to the individual's role and location as well as MAp's scale, complexity and geographic spread is also considered.

Remuneration is divided into those components which are not directly linked to contribution and performance (Fixed Annual Remuneration) and those components which are variable and directly linked to the delivery of personal KPIs and MAp's key business objectives including financial performance and security holder value creation (At Risk Remuneration).

3.1 Fixed Annual Remuneration (FAR)

FAR generally consists of base salary and benefits at a guaranteed level. NEDs, senior executives and certain other executives are provided with a FAR amount and have flexibility to determine the precise amount of cash and benefits they receive within that amount.

3.2 At Risk Remuneration (ARR)

In addition to FAR, a significant element of senior executives' maximum potential remuneration is required to be at risk. Currently, ARR is provided to senior executives and certain other executives through a Short Term Incentive Plan (STIP).

An individual's maximum potential remuneration may be achieved only in circumstances where they have achieved and surpassed challenging KPIs, including MAp's financial performance and security holder value creation.

Directors' Report
for year ended 31 December 2009

Remuneration Report (continued)

No Short Term Incentive (STI) payments have been made to date. However, senior executives and certain other executives are eligible to receive STI payments subject to individual and corporate performance in February 2011 reflecting performance between 16 October 2009 and 31 December 2010. Maximum potential STI payments range up to 80% of FAR, adjusted to reflect the extended period to which they will relate.

In order to promote executive retention, one third of any individual's STI payment in excess of A$50,000 is deferred for three years. In the event of resignation or termination with cause prior to the payment of any deferred element of STI, this element is forfeited unless the Nomination & Remuneration Committee determines otherwise.

4. CEO & Senior Executive Arrangements for the Year Ended 31 December 2009

4.1 Service Contracts

Senior Executive	Contract Type & Any Special Terms	FAR A$'000	STIP[1] % of FAR	Termination
Kerrie Mather Chief Executive Officer	Permanent	1,700	80%	12 months MAp/ 6 months Employee
Keith Irving Chief Financial Officer	Permanent	400	60%	3 months/ 3 months
Sally Webb Company Secretary[2]	Permanent	200	40%	3 months/ 3 months

4.2 Total Remuneration & Benefits for the Year

The following table details total remuneration and benefits provided to senior executives for the year.

		Short Term Employee Benefits			Post Employment Benefits
Name	**Year**	**Salary A$'000**	**STI[3] A$'000**	**Non-Monetary Benefits A$'000**	**Superannuation A$'000**
Kerrie Mather[4]	2009	363	Nil	Nil	3
	2008	N/A	N/A	N/A	N/A
Keith Irving[4]	2009	85	Nil	Nil	3
	2008	N/A	N/A	N/A	N/A
Sally Webb[2,4]	2009	43	Nil	Nil	1
	2008	N/A	N/A	N/A	N/A

1 Maximum annualised STIP expressed as a proportion of FAR.
2 Ms Sally Webb also acts as General Counsel of MAp but the above disclosure is made solely due to her position as Company Secretary.
3 As noted in section 3.2, no STI payments have yet been made. However, executives are eligible for STI payments relating to the period from 16 October 2009 onwards (and estimated payments have been accrued) but these are dependent on performance between 16 October 2009 and 31 December 2010 and will not be paid until February 2011.
4 Direct employment by MAp commenced on 16 October 2009. Prior to that date, the executive was employed and remunerated by Macquarie and these amounts are not included.

Directors' Report
for year ended 31 December 2009

Remuneration Report (continued)

4.3 Security Holdings

The table below details the MAp securities in which senior executives held relevant interests.

None of these securities are held as a direct result of equity-based compensation, relating either to the period of prior employment by Macquarie or current employment by MAp.

Name	Balance at 15 Oct 09	Changes During Year	Balance at End of Year	Value at End of Year A$'000
Kerrie Mather	3,258,311	296,210	3,554,521	10,770
Keith Irving	352,812	38,204	391,016	1,185
Sally Webb	-	-	-	-

5. NED Remuneration

5.1 NEDs' Remuneration Policy

NED's fees are determined by the board. Director remuneration is determined with reference to external benchmarking undertaken by consultants engaged by the board.

The maximum directors' fee pool, as approved by security holders, for MAPL is currently A$700,000 and for MAIL US$140,000. No additional remuneration was paid in respect of membership of standing committees such as the Audit & Risk Committee. Current fee arrangements are detailed below.

Role	Annual Fee
MAPL Board	A$'000
Chairman	125
NED	100
MAIL Board	US$'000
Chairman	35
NED	35

At MAp's AGM on 21 May 2009, security holders approved the assumption of responsibility for payment of MAPL directors' fees with effect from June 2009. Prior to June 2009, MAPL directors' fees were paid by Macquarie.

5.2 Remuneration for Additional Responsibilities

At the Special General Meeting held on 30 September 2009, security holders approved payment of additional fees totalling approximately A$375,000 in respect of MAPL and US$125,000 in respect of MAIL relating to the additional duties required to be performed by NEDs who were members of the Independent Board Committees responsible for negotiating the terms of the internalisation with Macquarie. These duties included undertaking activities generally performed by management, including spending time evaluating the proposals put to MAp by Macquarie, reviewing and negotiating the terms of internalisation, meeting with investors and attending MAp Independent Board Committee meetings in order to consider matters relevant to the internalisation.

5.3 Proposed Changes to NED Remuneration

As foreshadowed in the Notice of Meeting for the Special General Meeting held on 30 September 2009, security holder approval will be sought at MAp's 2010 AGM for an increase in the aggregate level of fees payable to directors to take into account the market remuneration for directors of companies with an internalised management structure of comparable size and scale to MAp.

Directors' Report
for year ended 31 December 2009

Remuneration Report (continued)

5.4 NED's Appointment Letters

NEDs are appointed for an unspecified term and are subject to election by security holders at the first Annual General Meeting after their initial appointment by the board. In addition, each NED must stand for re-election by security holders at three yearly intervals.

The Nomination & Remuneration Committee develops and reviews the process for selection, appointment and re-election of NEDs as well as developing and implementing a process for evaluating the performance of the boards, board committees and directors individually.

Letters of appointment for the NEDs, which are contracts for service but not contracts of employment, have been put in place. These letters confirm that the NEDs have no right to compensation on the termination of their appointment for any reason, other than for unpaid fees and expenses for the period actually served. The NEDs do not participate in MAp's STIP.

5.5 NED's Remuneration for the Year

The fees and other benefits provided to the NEDs by MAp during the year and during the prior year are set out in the table below.

Any contributions to personal superannuation or pension funds on behalf of NEDs are deducted from their overall fee entitlements.

		Short Term Employee Benefits	Post Employment Benefits		
Name	**Year**	**Directors' Fees**	**Superannuation**	**Other**	**Total**
		A$'000	**A$'000**	**A$'000**	**A$'000**
Max Moore-Wilton[5]	2009	100[6]	9[6]	5[7]	114
Chairman MAPL	2008	N/A	Nil	Nil	Nil
Trevor Gerber	2009	44	4	296[8]	344
	2008	N/A	Nil	Nil	Nil
Robert Morris	2009	Nil	48	66[8]	114
	2008	N/A	Nil	Nil	Nil
Michael Lee	2009	44	4	66[8]	114
	2008	N/A	Nil	Nil	Nil
John Roberts	2009	Nil	Nil	21	21
	2008	N/A	Nil	Nil	Nil
		US$'000	**US$'000**	**US$'000**	**US$'000**
Jeffrey Conyers	2009	35	Nil	25[8]	60
Chairman MAIL	2008	35	Nil	Nil	35
Sharon Beesley	2009	35	Nil	Nil	35
	2008	35	Nil	Nil	35
Stephen Ward	2009	35	Nil	100[8]	135
	2008	35	Nil	Nil	35

5 MAp security holders approved the assumption of responsibility for MAPL directors' fees with effect from June 2009 at MAp's 2009 AGM on 21 May 2009. Prior to this MAPL directors' fees were paid by Macquarie and these amounts are not included.
6 Includes A$59,375 as Chairman of MAPL and A$50,000 as NED of MAIL.
7 Represents additional reimbursement to Mr Moore-Wilton in respect of his appointments to the boards of Sydney Airport and Copenhagen Airports.
8 Fees received as a member of the Independent Board Committees responsible for negotiating the terms of the Internalisation with Macquarie Capital. These were separately approved by security holders at the Special General Meeting held on 30 September 2009.

Directors' Report
for year ended 31 December 2009

Remuneration Report (continued)

5.6 Security Holdings

The table below details the MAp securities in which NEDs held relevant interests.

None of these securities are held as a direct result of equity-based compensation relating to the period of prior employment by Macquarie.

Name	Balance at Start of Year	Changes During Year	Balance at End of Year	Value at End of Year A$'000
Max Moore-Wilton	602,690	54,789	657,479	1,992,161
Trevor Gerber	170,000	15,454	185,454	561,926
Robert Morris	37,500	3,408	40,908	123,951
Michael Lee	6,078	552	6,630	20,089
John Roberts[9]	-	63,390	63,390	192,072
Jeffrey Conyers	-	-	-	-
Sharon Beesley	-	-	-	-
Stephen Ward	20,000	1,818	21,818	66,109

Indemnification and Insurance of Officers and Auditors

Effective from 16 October 2009, all directors have executed a deed of access, insurance and indemnity under which MAPL indemnifies them against any liability incurred by them, including all legal costs in defending any proceeding (whether criminal, civil, administrative or judicial) or appearing before any court, tribunal, authority or other body because of their respective capacities. The indemnity does not apply to the extent:

- of any restriction imposed by law or the MAPL constitution;
- payment is made by MAPL as trustee of MAT1, MAT2, SCAAT, MAREST or TDT (each a "relevant trust") subject to any restriction imposed by law or the constitution of the relevant trust.

Additionally during the period, a directors and officers insurance policy applied to the directors and secretaries of MAIL and from 16 October 2009, a directors and officers insurance policy was taken out by MAPL.

The auditors of the Groups are in no way indemnified out of the assets of the Groups.

Fees Paid to the Responsible Entity, the Adviser and Associates

Fees paid to the Responsible Entity, the Adviser and their associates out of the Groups' property during the year are disclosed in Note 25 to the financial report.

Interests in the Groups held by the Responsible Entity and its associates during the year are disclosed in Note 25 to the financial report.

Interests in the Groups Issued During the Financial Year

The movement in securities on issue in the Groups during the year is as set out below:

MAp and MAT2 Group	**Consolidated 2009 '000**	Consolidated 2008 '000	**Parent Entity 2009 '000**	Parent Entity 2008 '000
Securities / units on issue at the beginning of the year	**1,713,636**	1,718,654	**1,713,636**	1,718,654
Securities / units issued during the year	**155,086**	-	**155,086**	-
Securities / units cancelled during the year	**(7,511)**	(5,018)	**(7,511)**	(5,018)
Securities / units on issue at the end of the year	**1,861,211**	1,713,636	**1,861,211**	1,713,636

9 Balance as at 16 October 2009 being the date of Mr Roberts' appointment.

Directors' Report
for year ended 31 December 2009

Value of Assets

MAp	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent Entity 2009 $'000	Parent Entity 2008 $'000
Book value of Group assets at 31 December	**14,894,913**	17,533,488	**3,438,532**	3,071,168

MAT2 Group	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent Entity 2009 $'000	Parent Entity 2008 $'000
Book value of Group assets at 31 December	**5,450,196**	4,163,353	**2,005,151**	2,213,259

The book value of the Groups' assets is derived using the basis set out in Note 1 to the financial report.

Environmental Regulation

The operations of the underlying airport assets in which the Groups invest are subject to environmental regulations particular to the countries in which they are located.

Sydney Airport

The primary piece of environmental legislation applicable to Sydney Airport is the Airports Act 1996 ("the Act 1996") and regulations made under it, including the Airports (Environment Protection) Regulations 1997. The main environmental requirements of the Act 1996 and the Regulations include:

- The development and implementation of an environment strategy;
- The monitoring and remediation of air, water and noise pollution from ground-based sources (except noise from aircraft in-flight, landing, taking off and taxiing and pollution from aircraft, which are excluded by the Act 1996 and Regulations); and
- The enforcement of the provisions of the Act 1996 and associated regulations, by statutory office holders of the Commonwealth Department of Transport and Regional Services. These office holders are known as Airport Environment Officers ("AEO's")

As required under the Act 1996, an Environment Strategy was approved by the Minister for Transport and Regional Services on 18 January 2005. The strategy outlines the plans and actions of Sydney Airport to measure, monitor, enhance and report on environmental performance over the five year period from 2005 to 2010. Sydney Airport's aim, reflected in the strategy, is to continually improve environmental performance and minimise the impact of Sydney Airports operations on the environment. The strategy supports world-class initiatives in environmental management beyond regulatory requirements.

There have been no serious breaches by Sydney Airport in relation to the above regulations.

Auditor's Independence Declaration

A copy of the auditors' independence declaration, as required under section 307C of the Corporations Act 2001 is set out on page 13.

Rounding of Amounts in the Directors' Report and the Financial Report

The Groups are of a kind referred to in Class Order 98/100 (as amended), issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Directors' Report
for year ended 31 December 2009

Application of Class Order

The financial reports for MAT1 and MAT2 are jointly presented in the one report as permitted by ASIC Class Order 06/441.

This report is made in accordance with a resolution of the directors of MAp Airports Limited.

Max Moore-Wilton
Sydney
24 February 2010

Trevor Gerber
Sydney
24 February 2010

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999
www.pwc.com/au

Auditor's Independence Declaration

As lead auditor for the audit of MAp Airports Trust 1 and MAp Airports Trust 2 for the year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of MAp Airports Trust 1 and MAp Airports Trust 2 and the entities they controlled during the year.

Wayne Andrews

Wayne Andrews
Partner

Sydney
24 February 2010

Financial Report
for year ended 31 December 2009

Statements of Comprehensive Income

		Consolidated				Parent Entity			
		MAp	MAp	**MAT2**	MAT2	**MAT1**	MAT1	**MAT2**	MAT2
		31 Dec 2009	31 Dec 2008	**31 Dec 2009**	31 Dec 2008	**31 Dec 2009**	31 Dec 2008	**31 Dec 2009**	31 Dec 2008
	Note	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Revenue from continuing operations	2	**946,377**	2,148,488	**45,046**	15,833	**362,992**	165,087	**9,301**	10,272
Other income	2	**266,241**	2,868,393	**2**	69,795	**89,259**	71,284	**6,937**	69,795
Total revenue and other income from continuing operations		**1,212,618**	5,016,881	**45,048**	85,628	**452,251**	236,371	**16,238**	80,067
Finance costs	2	**(583,163)**	(794,573)	**(248,350)**	(135,147)	**(94,331)**	(63,903)	**(597)**	(1,712)
Administration expenses	2	**(82,943)**	(175,972)	**(10,697)**	(11,686)	**(51,555)**	(13,874)	**(8,201)**	(11,577)
Other operating expenses	2	**(948,626)**	(1,811,512)	**(6,173)**	(319,734)	**(18,557)**	(159,500)	**(211,204)**	(355,226)
Internalisation expenses	2	**(351,055)**	-	**(147,308)**	-	**(2,138)**	-	**(147,308)**	-
Operating expenses from continuing operations		**(1,965,787)**	(2,782,057)	**(412,528)**	(466,567)	**(166,581)**	(237,277)	**(367,310)**	(368,515)
(Loss) / profit from continuing operations before income tax benefit		**(753,169)**	2,234,824	**(367,480)**	(380,939)	**285,670**	(906)	**(351,072)**	(288,448)
Income tax benefit	3	**138,092**	4,738	**135,187**	158,069	**-**	-	**72,759**	106,228
(Loss) / profit from continuing operations after income tax benefit		**(615,077)**	2,239,562	**(232,293)**	(222,870)	**285,670**	(906)	**(278,313)**	(182,220)
Other comprehensive income									
Exchange differences on translation of foreign operations		**(134,102)**	552,322	**-**	-	**-**	-	**-**	-
Cash Flow Hedges, net of tax		**159,910**	(356,853)	**-**	-	**-**	-	**-**	-
Other comprehensive income for the year, net of tax		**25,808**	195,469	**-**	-	**-**	-	**-**	-
Total comprehensive income for the year		**(589,269)**	2,435,031	**(232,293)**	(222,870)	**285,670**	(906)	**(278,313)**	(182,220)
(Loss) / profit Attributable to:									
MAp security holders / MAT2 unitholders		**(572,696)**	2,070,451	**(194,864)**	(163,014)	**285,670**	(906)	**(278,313)**	(182,220)
Minority interest		**(42,381)**	169,111	**(37,429)**	(59,856)	**-**	-	**-**	-
		(615,077)	2,239,562	**(232,293)**	(222,870)	**285,670**	(906)	**(278,313)**	(182,220)
Total comprehensive income Attributable to:									
MAp security holders / MAT2 unitholders		**(581,423)**	2,126,256	**(194,864)**	(163,014)	**285,670**	(906)	**(278,313)**	(182,220)
Minority interest		**(7,846)**	308,775	**(37,429)**	(59,856)	**-**	-	**-**	-
		(589,269)	2,435,031	**(232,293)**	(222,870)	**285,670**	(906)	**(278,313)**	(182,220)
Earnings per security for (loss) / profit from continuing operations attributable to MAp security holders / MAT2 unitholders									
Basic earnings per stapled security / unit *	23	**(33.11)c**	120.50c	**(11.27)c**	(9.49)c				
Diluted earnings per stapled security / unit *	23	**(33.11)c**	99.37c	**(11.27)c**	(9.49)c				

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

* Earnings used in the calculation of earnings per stapled security/unit includes unrealised income and expense from revaluation of some investments and other financial instruments. Consequently, earnings per stapled security/unit reflects the impact of unrealised revaluation increments and decrements.

Financial Report
as at 31 December 2009

Balance Sheets

		Consolidated				Parent Entity			
		MAp	MAp	**MAT2**	MAT2	**MAT1**	MAT1	**MAT2**	MAT2
		31 Dec 2009	31 Dec 2008	**31 Dec 2009**	31 Dec 2008	**31 Dec 2009**	31 Dec 2008	**31 Dec 2009**	31 Dec 2008
	Note	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Current assets									
Cash and cash equivalents	6	**1,459,641**	2,313,985	**60,283**	470,348	**299,218**	310,946	**2,563**	418,358
Other financial assets	7	**-**	838,492	**-**	-	**-**	-	**-**	-
Receivables	8	**514,151**	570,793	**50,486**	26,745	**131,587**	10,804	**243**	26,233
Current tax receivable	18	**1,871**	-	**1,871**	-	**-**	-	**1,871**	-
Other assets		**15,466**	16,393	**219**	16	**246**	64	**960**	17
Derivative financial instruments	9	**751**	4,212	**-**	-	**-**	-	**-**	-
Total current assets		**1,991,880**	3,743,875	**112,859**	497,109	**431,051**	321,814	**5,637**	444,608
Non-current assets									
Receivables	8	**41,695**	29,070	**832,300**	433,013	**78,546**	-	**858,840**	433,013
Derivative financial instruments	9	**-**	3,309	**-**	-	**-**	-	**-**	-
Investments in financial assets	10	**2,065,328**	3,010,739	**4,505,037**	3,233,231	**2,928,935**	2,749,354	**1,140,674**	1,335,638
Property, plant and equipment	11	**2,582,734**	2,457,566	**-**	-	**-**	-	**-**	-
Investment property	11	**-**	-	**-**	-	**-**	-	**-**	-
Intangible assets	12	**8,166,607**	8,271,407	**-**	-	**-**	-	**-**	-
Other assets		**46,669**	17,522	**-**	-	**-**	-	**-**	-
Total non-current assets		**12,903,033**	13,789,613	**5,337,337**	3,666,244	**3,007,481**	2,749,354	**1,999,514**	1,768,651
Total assets		**14,894,913**	17,533,488	**5,450,196**	4,163,353	**3,438,532**	3,071,168	**2,005,151**	2,213,259
Current liabilities									
Distribution payable		**148,923**	239,935	**-**	-	**26**	239,935	**-**	-
Payables	15	**548,066**	668,964	**99,520**	2,218	**35,613**	6,066	**858**	1,626
Deferred income		**22,277**	25,038	**-**	-	**-**	-	**-**	-
Derivative financial instruments	9	**61,732**	16,467	**-**	-	**-**	-	**-**	-
Financial liabilities at fair value	16	**-**	96,770	**-**	-	**-**	-	**-**	-
Interest bearing liabilities	17	**-**	1,616,857	**-**	-	**-**	769,120	**-**	-
Provisions		**4,052**	3,983	**33**	-	**-**	-	**-**	-
Current tax liabilities	18	**1,241**	11,184	**184**	8,217	**-**	-	**-**	8,217
Total current liabilities		**786,291**	2,679,198	**99,737**	10,435	**35,639**	1,015,121	**858**	9,843

Financial Report
as at 31 December 2009

Balance Sheets (continued)

		Consolidated				Parent Entity			
		MAp	MAp	**MAT2**	MAT2	**MAT1**	MAT1	**MAT2**	MAT2
		31 Dec 2009	31 Dec 2008	**31 Dec 2009**	31 Dec 2008	**31 Dec 2009**	31 Dec 2008	**31 Dec 2009**	31 Dec 2008
	Note	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Non-current liabilities									
Derivative financial instruments	9	**11,359**	285,765	**-**	-	**-**	-	**-**	-
Interest bearing liabilities	17	**6,106,686**	5,988,637	**1,846,290**	968,079	**1,632,776**	433,013	**78,546**	-
Payables	15	**5,756**	-	**-**	-	**-**	-	**-**	-
Provisions		**2,753**	6,302	**74**	-	**-**	-	**-**	-
Deferred tax liabilities	18	**1,937,545**	2,021,174	**368,315**	503,044	**-**	-	**329,151**	392,303
Total non-current liabilities		**8,064,099**	8,301,878	**2,214,679**	1,471,123	**1,632,776**	433,013	**407,697**	392,303
Total liabilities		**8,850,390**	10,981,076	**2,314,416**	1,481,558	**1,668,415**	1,448,134	**408,555**	402,146
Net assets		**6,044,523**	6,552,412	**3,135,780**	2,681,795	**1,770,117**	1,623,034	**1,596,596**	1,811,113
Equity									
MAp security holders' interest / MAT2 unitholders' interest									
Contributed equity	19	**3,948,660**	3,610,110	**291,500**	227,704	**2,315,124**	2,231,915	**291,500**	227,704
Retained profits	20	**1,804,389**	2,643,495	**1,442,748**	1,637,612	**168,157**	-	**1,305,096**	1,583,409
Reserves	21	**(269,459)**	(60,293)	**(99,808)**	(6,898)	**(713,164)**	(608,881)	**-**	-
Total security holders / unitholders' interest		**5,483,590**	6,193,312	**1,634,440**	1,858,418	**1,770,117**	1,623,034	**1,596,596**	1,811,113
Minority interest in controlled entities	22	**560,933**	359,100	**1,501,340**	823,377	**-**	-	**-**	-
Total equity		**6,044,523**	6,552,412	**3,135,780**	2,681,795	**1,770,117**	1,623,034	**1,596,596**	1,811,113

The above Balance Sheets should be read in conjunction with the accompanying notes.

Financial Report
for year ended 31 December 2009

Statements of Changes in Equity

MAp consolidated	Note	Attributable to MAp security holders					
		Contributed equity $'000	Reserves $'000	Retained earnings $'000	Total $'000	Minority interest $'000	Total equity $'000
Total equity at 1 January 2009		**3,610,110**	**(60,293)**	**2,643,495**	**6,193,312**	**359,100**	**6,552,412**
Loss attributable to unitholders		**-**	**-**	**(572,696)**	**(572,696)**	**(42,381)**	**(615,077)**
Exchange differences on translation of foreign operations		**-**	**(126,368)**	**-**	**(126,368)**	**(7,734)**	**(134,102)**
Cash flow hedges, net of tax		**-**	**117,641**	**-**	**117,641**	**42,269**	**159,910**
Total comprehensive income		**-**	**(8,727)**	**(572,696)**	**(581,423)**	**(7,846)**	**(589,269)**
Transactions with equity holders in their capacity as equity holders:							
Transaction costs paid in relation to contributions to equity (net of tax effect)		**(505)**	**-**	**-**	**(505)**	**-**	**(505)**
Contributions of equity		**356,697**	**-**	**-**	**356,697**	**-**	**356,697**
Securities cancelled pursuant to security buy-back (including transaction costs)		**(17,642)**	**-**	**-**	**(17,642)**	**-**	**(17,642)**
(Increase)/decreased interest in subsidiaries obtained during the period		**-**	**(96,156)**	**-**	**(96,156)**	**37,259**	**(58,897)**
Transfer to/(from) capital reserve		**-**	**(104,283)**	**104,283**	**-**	**-**	**-**
Distributions provided for or paid	5	**-**	**-**	**(370,693)**	**(370,693)**	**(27,150)**	**(397,843)**
Contributions of equity by minority interests		**-**	**-**	**-**	**-**	**199,570**	**199,570**
Total equity at 31 December 2009		**3,948,660**	**(269,459)**	**1,804,389**	**5,483,590**	**560,933**	**6,044,523**
Total equity at 1 January 2008		3,619,852	473,682	572,138	4,665,672	2,384,530	7,050,202
Profit attributable to unitholders		-	-	2,070,451	2,070,451	169,111	2,239,562
Exchange differences on translation of foreign operations		-	344,531	-	344,531	207,791	552,322
Cash flow hedges, net of tax		-	(288,726)	-	(288,726)	(68,127)	(356,853)
Total comprehensive income		-	55,805	2,070,451	2,126,256	308,775	2,435,031
Transactions with equity holders in their capacity as equity holders:							
Transaction costs paid in relation to contributions to equity (net of tax effect)		(13)	-	-	(13)	-	(13)
Contributions of equity (buyback)		(9,729)	-	-	(9,729)	-	(9,729)
Increase/(decreased) interest in subsidiaries obtained during the period		-	2,413	-	2,413	(79,200)	(76,787)
Minority interest derecognised on loss of control of subsidiary		-	(127,953)	-	(127,953)	(1,943,805)	(2,071,758)
Transfer to/(from) capital reserve		-	(464,240)	464,240	-	-	-
Distributions provided for or paid	5	-	-	(463,334)	(463,334)	(364,054)	(827,388)
Contributions of equity by minority interests		-	-	-	-	52,854	52,854
Total equity at 31 December 2009		3,610,110	(60,293)	2,643,495	6,193,312	359,100	6,552,412

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Financial Report
for year ended 31 December 2009

Statements of Changes in Equity (continued)

MAT2 consolidated	Note	Attributable to MAT2 security holders					
		Contributed equity $'000	Reserves $'000	Retained earnings $'000	Total $'000	Minority interest $'000	Total equity $'000
Total equity at 1 January 2009		**227,704**	**(6,898)**	**1,637,612**	**1,858,418**	**823,377**	**2,681,795**
Loss for the period		**-**	**-**	**(194,864)**	**(194,864)**	**(37,429)**	**(232,293)**
Total comprehensive income		**-**	**-**	**(194,864)**	**(194,864)**	**(37,429)**	**(232,293)**
Transactions with equity holders in their capacity as equity holders:							
Securities cancelled pursuant to security buy-back (including transaction costs)		**(4,067)**	**-**	**-**	**(4,067)**	**-**	**(4,067)**
Securities issued pursuant to non-renounceable entitlement offer		**68,000**	**-**	**-**	**68,000**	**-**	**68,000**
Transaction costs paid in relation to contributions to equity (net of tax effect)		**(137)**	**-**	**-**	**(137)**	**-**	**(137)**
(Increased)/decreased interest in subsidiaries obtained during the period		**-**	**(92,910)**	**-**	**(92,910)**	**799,350**	**706,440**
Distributions provided for or paid		**-**	**-**	**-**	**-**	**(83,958)**	**(83,958)**
Total equity at 31 December 2009		**291,500**	**(99,808)**	**1,442,748**	**1,634,440**	**1,501,340**	**3,135,780**
Total equity at 1 January 2008		229,840	2,604	1,800,626	2,033,070	797,824	2,830,894
Loss attributable to unit holders		-	-	(163,014)	(163,014)	(59,856)	(222,870)
Total comprehensive income		-	-	(163,014)	(163,014)	(59,856)	(222,870)
Transactions with equity holders in their capacity as equity holders:							
Securities cancelled pursuant to buy-back		(2,123)	-	-	(2,123)	-	(2,123)
Tax effects of costs incurred in the raising of capital		(13)	-	-	(13)	-	(13)
Acquisition of additional interest in subsidiary		-	(9,502)	-	(9,502)	-	(9,502)
Decrease of interest in subsidiaries during the year		-	-	-	-	165,448	165,448
Distributions provided for or paid		-	-	-	-	(80,039)	(80,039)
Total equity at 31 December 2008		227,704	(6,898)	1,637,612	1,858,418	823,377	2,681,795

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Financial Report
for year ended 31 December 2009

Statements of Changes in Equity (continued)

MAT1 Parent entity	Note	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Total $'000
Total equity at 1 January 2009		**2,231,915**	**(608,881)**	**-**	**1,623,034**
Profit for the period		**-**	**-**	**285,670**	**285,670**
Total comprehensive income		**-**	**-**	**285,670**	**285,670**
Transactions with equity holders in their capacity as equity holders:					
Securities cancelled pursuant to security buy-back (including transaction costs)		**(3,651)**	**-**	**-**	**(3,651)**
Issued pursuant to entitlement offer		**86,990**	**-**	**-**	**86,990**
Transaction costs paid in relation to contributions to equity (net of tax effect)		**(130)**	**-**	**-**	**(130)**
Transfer (to)/from capital reserve		**-**	**(104,283)**	**104,283**	**-**
Distributions provided for or paid	5	**-**	**-**	**(221,796)**	**(221,796)**
Total equity at 31 December 2009		**2,315,124**	**(713,164)**	**168,157**	**1,770,117**
Total equity at 1 January 2008		2,234,147	(144,641)	-	2,089,506
Loss attributable to unitholders		-	-	(906)	(906)
Total comprehensive income		-	-	(906)	(906)
Transactions with equity holders in their capacity as equity holders:					
Securities cancelled pursuant to security buy-back		(2,232)	-	-	(2,232)
Transfer (to)/from capital reserve		-	(464,240)	464,240	-
Distributions provided for or paid	5	-	-	(463,334)	(463,334)
Total equity at 31 December 2008		2,231,915	(608,881)	-	1,623,034

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Financial Report
for year ended 31 December 2009

Statements of Changes in Equity (continued)

MAT2 Parent entity	Note	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Total $'000
Total equity at 1 January 2009		**227,704**	**-**	**1,583,409**	**1,811,113**
Loss for the period		**-**	**-**	**(278,313)**	**(278,313)**
Total comprehensive income		**-**	**-**	**(278,313)**	**(278,313)**
Transactions with equity holders in their capacity as equity holders:					
Securities cancelled pursuant to security buy-back (including transaction costs)		**(4,067)**	**-**	**-**	**(4,067)**
Securities issued pursuant to non-renounceable entitlement offer		**68,000**	**-**	**-**	**68,000**
Transaction costs paid in relation to contributions to equity (net of tax effect)		**(137)**	**-**	**-**	**(137)**
Total equity at 31 December 2009		**291,500**	**-**	**1,305,096**	**1,596,596**
Total equity at 1 January 2008		229,840	-	1,765,629	1,995,469
Loss attributable to unitholders		-	-	(182,220)	(182,220)
Total comprehensive income		229,840	-	1,583,409	1,813,249
Transactions with equity holders in their capacity as equity holders:					
Securities cancelled pursuant to security buy-back		(2,123)	-	-	(2,123)
Tax effects of costs incurred in the raising of capital		(13)	-	-	(13)
Total equity at 31 December 2008		227,704	-	1,583,409	1,811,113

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Financial Report
for year ended 31 December 2009

Cash Flow Statements

	Note	Consolidated				Parent Entity			
		MAp 31 Dec 2009 $'000	MAp 31 Dec 2008 $'000	**MAT2 31 Dec 2009 $'000**	MAT2 31 Dec 2008 $'000	**MAT1 31 Dec 2009 $'000**	MAT1 31 Dec 2008 $'000	**MAT2 31 Dec 2009 $'000**	MAT2 31 Dec 2008 $'000
Cash flows from operating activities									
Sydney Airport - interest received on Southern Cross Airports Corporation Holdings Limited redeemable preference shares		**-**	-	**228,760**	98,916	**20,166**	30,889	**-**	-
Sydney Airport - dividend received on Southern Cross Airports Corporation Holdings Limited ordinary shares		**-**	-	**-**	191,596	**-**	94,795	**-**	-
Sydney Airport - interest received on redeemable preference shares from other related entities		**-**	-	**-**	-	**225,999**	185,118	**-**	-
ASUR – dividend received		**14,050**	7,444	**-**	-	**-**	-	**-**	-
ASUR – payments received under TRS		**14,172**	-	**-**	-	**-**	-	**-**	-
Bristol Airport – interest received on loans		**-**	13,747	**-**	-	**-**	-	**-**	-
Brussels Airport – investment income received on convertible loans		**29,058**	-	**-**	-	**-**	-	**-**	-
MAp Airports (Europe) Ltd distributions		**-**	-	**-**	852,435	**-**	-	**-**	852,435
Other distributions and dividend income received		**2,545**	2,934	**-**	-	**26,962**	25,396	**-**	-
Other interest received		**92,561**	169,364	**7,769**	10,159	**8,472**	6,728	**3,762**	5,150
Japan Airport Terminal – distribution and dividend income received		**1,558**	3,481	**-**	-	**-**	-	**-**	-
Interest received on inter-company loans		**-**	-	**731**	2,902	**3,304**	18,429	**731**	2,902
Fee income received		**418**	646	**4,434**	712	**-**	-	**418**	647
Airport revenue received (inclusive of goods and services tax)		**926,581**	2,074,439	**-**	-	**-**	-	**-**	-
Responsible Entity and Adviser base fees paid (inclusive of goods and services tax)		**(33,788)**	(57,270)	**(7,532)**	(13,951)	**(7,656)**	(14,501)	**(7,532)**	(13,951)
Adviser's performance fees paid *		**-**	(91,191)	**-**	-	**-**	-	**-**	-
Operating expenses paid (inclusive of goods and services tax)		**(17,426)**	(14,381)	**(5,045)**	(1,787)	**(5,983)**	(3,393)	**(5,042)**	(1,678)
Operating expenses paid by airport operating entities (inclusive of goods and services tax)		**(267,844)**	(878,986)	**-**	-	**-**	-	**-**	-
Income taxes paid		**(12,555)**	(76,898)	**(9,654)**	125	**-**	-	**(9,497)**	125
Net indirect taxes (paid)/received		**799**	(9,259)	**409**	979	**386**	1,093	**408**	983
Internalisation payment made		**(359,536)**	-	**(159,367)**	-	**-**	-	**-**	-
Other income received		**371**	6,877	**-**	-	**-**	20	**-**	-
Net cash flows from operating activities	24	**390,964**	1,150,947	**60,505**	1,142,086	**271,650**	344,574	**(16,752)**	846,613

* The performance fee paid by Bristol Airport (Bermuda) Limited ("BABL") (formerly MAp Airports Group Limited) during the prior period was incurred during the financial year ended 31 December 2007 and was based on the performance of BABL over its seven years since inception.

Financial Report
for year ended 31 December 2009

Cash Flow Statements (continued)

	Note	Consolidated				Parent Entity			
		MAp 31 Dec 2009 $'000	MAp 31 Dec 2008 $'000	**MAT2 31 Dec 2009 $'000**	MAT2 31 Dec 2008 $'000	**MAT1 31 Dec 2009 $'000**	MAT1 31 Dec 2008 $'000	**MAT2 31 Dec 2009 $'000**	MAT2 31 Dec 2008 $'000
Cash flows from investing activities									
Payments for purchase of subsidiaries, net of cash acquired		**-**	-	**66**	-	**-**	(50,000)	**(155)**	-
Payments for purchase of investments		**(122,699)**	(203,945)	**(600,497)**	(155,766)	**(64,482)**	(53,691)	**-**	-
Loan repayment from related party		**-**	-	**-**	-	**-**	396,737	**-**	-
Investment transaction costs paid		**(1,876)**	(6,312)	**-**	(4)	**(411)**	-	**-**	(4)
Proceeds received upon sale of subsidiaries, net of cash disposed		**-**	1,367,467	**-**	-	**453,882**	-	**-**	-
Payments for short term investments		**-**	(838,492)	**-**	-	**-**	-	**-**	-
Payments for purchase of fixed assets		**(309,978)**	(549,910)	**-**	-	**-**	-	**-**	-
Proceeds from sale of investments net of transaction costs		**518,803**	-	**-**	-	**-**	-	**-**	-
Proceeds from sale of Non-current assets		**844,711**	-	**-**	-	**-**	-	**-**	-
Proceeds from disposal of fixed assets		**151**	606	**-**	-	**-**	-	**-**	-
Net cash flows from investing activities		**929,112**	(230,586)	**(600,431)**	(155,770)	**388,989**	293,046	**(155)**	(4)
Cash flows from financing activities									
Proceeds received from issue of units		**356,697**	-	**68,000**	-	**86,991**	-	**68,000**	-
Proceeds received from issue of securities to and borrowings from minority interests		**172,850**	68,149	**67,879**	155,945	**-**	-	**-**	-
Payments for purchase of subsidiaries, net of cash acquired		**-**	-	**533,124**	-	**-**	-	**-**	-
Payments for security buyback (made)/received		**(17,644)**	(9,729)	**103**	(6,295)	**(5,884)**	-	**103**	(6,295)
Proceeds received from borrowings		**2,468**	1,098,376	**-**	-	**14,677**	233,472	**-**	-
Repayment of borrowings (made)/received		**(1,621,091)**	(806,520)	**-**	-	**(279,506)**	-	**-**	-
Borrowing costs paid		**(433,022)**	(710,258)	**(868)**	(186,659)	**(26,940)**	(59,090)	**224**	(1,541)
Distributions paid to MAp security holders		**(461,705)**	(532,791)	**-**	-	**(461,705)**	(532,791)	**-**	-
Distributions, dividends and returns of capital paid to minority interest		**(141,568)**	(364,054)	**(237,555)**	(80,045)	**-**	-	**-**	-
Loans to related parties		**-**	-	**(300,822)**	(442,943)	**-**	-	**(467,215)**	(442,942)
Net cash flows from financing activities		**(2,143,015)**	(1,256,827)	**129,861**	(559,997)	**(672,367)**	(358,409)	**(398,888)**	(450,778)
Net (decrease)/increase in cash and cash equivalents held		**(822,939)**	(336,466)	**(410,065)**	426,319	**(11,728)**	279,211	**(415,795)**	395,831
Cash and cash equivalents at the beginning of the year		**2,313,985**	2,566,601	**470,348**	44,029	**310,946**	31,735	**418,358**	22,527
Exchange rate movements on cash denominated in foreign currency		**(31,405)**	83,850	**-**	-	**-**	-	**-**	-
Cash and cash equivalents at the end of the year	6	**1,459,641**	2,313,985	**60,283**	470,348	**299,218**	310,946	**2,563**	418,358
Non-cash financing and investing activities	24								

The above Cash Flow Statements should be read in conjunction with the accompanying notes.

Financial Report
for year ended 31 December 2009

Notes to the Financial Statements

1 Summary of Significant Accounting Policies

The significant policies which have been adopted in the preparation of the financial statements are stated to assist in a general understanding of this general purpose financial report. These policies have been consistently applied to all periods presented, unless otherwise stated.

(a) **Basis of preparation**

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and the Corporations Act 2001.

As permitted by ASIC Class order 06/441, this financial report consists of the parent entity and consolidated financial statements of MAp Airports Trust 1 ("MAT1", formerly Macquarie Airports Trust (1)) and the entities it controlled at the end of, and during, the year (collectively referred to as MAp), and the parent entity and consolidated financial statements of MAp Airports Trust 2 ("MAT2", formerly Macquarie Airports Trust (2)) and the entities it controlled at the end of, and during, the year (collectively referred to as the MAT2 Group).

The financial report was authorised for issue by the directors of the Responsible Entity on 24 February 2010. The Responsible Entity has the power to amend and reissue the financial report.

Compliance with IFRSs

Compliance with Australian Accounting Standards ensures that the financial statements and notes of MAp, MAT1 parent, the MAT2 Group and MAT2 parent comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Consequently, this financial report has also been prepared in accordance with and complies with IFRS as issued by the IASB.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

Stapled security

The units of MAT1 and MAT2 and the shares of MAp Airports International Limited ("MAIL" or "the Company", formerly Macquarie Airports Limited) are combined and issued as stapled securities in MAp ("the Group"). The units of MAT1 and MAT2 and the shares of MAIL cannot be traded separately and can only be traded as stapled securities.

This financial report consists of the consolidated financial statements of MAT1, which comprises MAT1 and its controlled entities, MAT2 and its controlled entities and MAIL and its controlled entities, together acting as MAp and the consolidated financial statements of MAT2 which comprises MAT2 and its controlled entities.

(b) **Consolidated accounts**

UIG 1013: *Consolidated Financial Reports in relation to Pre-Date-of-Transition Stapling Arrangements* requires one of the stapled entities of an existing stapled structure to be identified as the parent entity for the purpose of preparing consolidated financial reports. In accordance with this requirement MAT1 has been identified as the parent of the consolidated group comprising MAT1 and its controlled entities, MAT2 and its controlled entities and MAIL and its controlled entities.

The financial statements of MAp should be read in conjunction with the separate consolidated financial statements of MAT2, presented in this report, and the separate consolidated financial statements of MAIL for the year ended 31 December 2009.

1 Summary of Significant Accounting Policies (continued)

(c) Principles of consolidation

The consolidated financial statements of MAp incorporate the assets and liabilities of the entities controlled by MAT1 at 31 December 2009, including those deemed to be controlled by MAT1 by identifying it as the parent of MAp, and the results of those controlled entities for the year then ended. The consolidated financial statements of the MAT2 Group incorporate the assets and liabilities of the entities controlled by MAT2 at 31 December 2009. The effects of all transactions between entities in the consolidated entity are eliminated in full. Minority interests in the results and equity are shown separately in the Income Statement and the Balance Sheet respectively. Minority interests are those interests in partly owned subsidiaries which are not held directly or indirectly by MAT1, MAT2 or MAIL.

Where control of an entity is obtained during a financial period, its results are included in the Income Statement from the date on which control commences. Where control of an entity ceases during a financial period, its results are included for that part of the period during which control existed.

During the prior financial year MAp lost control of Bristol Airport (Bermuda) Limited ("BABL"), and of Copenhagen Airports Sa r.l. ("CASA", formerly Macquarie Airports (Europe) No. 2 S.A.) and Brussels Airport Investments Sa r.l. ("BAISA", formerly Macquarie Airports (Brussels) S.A.). The results for the entities from the beginning of the prior financial year to the date control ceased are included in the 2008 Income Statement. Refer to Note 28 for more details.

(d) Investments in airport assets

MAp and the MAT2 Group (together the "Groups") have designated their non-controlled investments in airport assets as financial assets at fair value through profit or loss. Investments in financial assets are revalued at each reporting date, or when there is a change in the nature of the investment, to their fair values in accordance with AASB 139: Financial Instruments: Recognition and Measurement. Changes in the fair values of investments in financial assets, both positive and negative have been recognised in the Income Statement for the year.

Investments have been brought to account by the Groups as follows:

Interests in unlisted securities in companies and trusts

Interests in unlisted companies and trusts are brought to account at fair value, determined in accordance with a valuation framework adopted by the directors. Discounted cash flow analysis is the methodology applied in the valuation framework as it is the generally accepted methodology for valuing airports and the basis upon which market participants have derived valuations for airport transactions.

Discounted cash flow is the process of estimating future cash flows that are expected to be generated by an asset and discounting these cash flows to their present value by applying an appropriate discount rate. The discount rate applied to the cash flows of a particular asset comprises the risk free interest rate appropriate to the country in which the asset is located and a risk premium, reflecting the uncertainty associated with the cash flows. The risk premium represents a critical accounting estimate.

The risk premia applied to the discounted cash flow forecasts of the Groups' interests in securities in companies and trusts are as follows:

MAp	Copenhagen Airport %	Brussels Airport %	Bristol Airport %
As at 31 December 2009			
Risk free rate*	3.6	3.6	-
Risk premium	9.4	8.6	-
Total discount rate	13.0	12.2	-
As at 31 December 2008			
Risk free rate*	4.0	4.2	4.0
Risk premium	9.4	8.0	10.3
Total discount rate	13.4	12.2	14.3

1 Summary of Significant Accounting Policies (continued)

(d) Investments in airport assets (continued)

MAT2	Sydney Airport %
As at 31 December 2009	
Risk free rate*	**5.5**
Risk premium	**9.6**
Total discount rate	**15.1**
As at 31 December 2008	
Risk free rate*	4.9
Risk premium	10.2
Total discount rate	15.1

* The risk free rate for each airport asset is determined using the yields on 10 year nominal government bonds in the relevant jurisdiction at the valuation date.

The valuation derived from the discounted cash flow analysis is periodically benchmarked to other sources such as independent valuations and recent market transactions to ensure that the discounted cash flow valuation is providing a reliable measure. The directors have adopted a policy of commissioning independent valuations of each of the assets on a periodic basis, no longer than three years.

Interest, dividends and other distributions received from investments brought to account at fair value are credited against the investments when received.

Interests in listed securities in companies and trusts

The fair value of financial assets traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Groups is the current bid price. The fair value of listed assets not traded in active markets is determined by discounted cash flow analysis.

Interests in other financial assets

Interests in convertible loans and other debt securities are brought to account at fair value. Adjustments to the fair value of convertible loans and other debt securities are recognised in the Income Statement.

Investment transaction costs are expensed as incurred.

Investments have been brought to account by the parent entities as follows:

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost. Interest income from loans and receivables is recognised using the effective interest method.

(e) Investments in associates and subsidiaries

Investments in associates have been accounted for at fair value through profit or loss as noted above in both the parent and consolidated entity accounts.

Investments in subsidiaries have been accounted for at fair value through profit or loss as noted above in the parent entity accounts.

(f) Determination of fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price, without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined by using an appropriate valuation technique. The valuation technique used is discounted cashflow analysis making as much use of available and supportable market data as possible.

Financial Report
for year ended 31 December 2009

1 Summary of Significant Accounting Policies (continued)

(g) Receivables

Receivables are initially recorded at their net fair values and are generally received within 30 days of becoming due and receivable. A provision is raised for any doubtful debts based on a review of all outstanding amounts at year end. Bad debts are written off in the period in which they are identified.

(h) Cash, cash equivalents and other financial assets

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Other deposits with original maturities of greater than three months are classified separately as other financial assets.

(i) Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Groups' share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. Each of those cash generating units represents the Groups' investment in the respective airports to which the goodwill relates.

Computer software

Major projects in which computer software is the principal element are recognised as assets if there is sufficient certainty that the future earnings can cover the related costs.

Computer software primarily comprises external costs and other directly attributable costs.

Technical service agreements, concessions and customer contracts

Technical service agreements, concessions and customer contracts have finite useful lives and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the intangible assets over their useful lives, which vary from to 7 to 16 years.

Leasehold land

Leasehold land at Sydney Airport represents the right to use the land at Sydney Airport. It has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the costs of the intangible asset over its useful life, which is 99 years from 1 July 1998.

Airport operator licence

Airport operator licence at Sydney Airport represents the right to use and operate Sydney Airport. It has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the costs of the intangible assets over its useful life, which is 99 years from 1 July 1998.

1 Summary of Significant Accounting Policies (continued)

(j) Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation.

Cost comprises the cost of acquisition and costs directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect costs attributable to the construction work, including salaries and wages, materials, components and work performed by subcontractors.

The depreciation base is determined as cost less any residual value. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets and begins when the assets are ready for use.

Land is not depreciated.

The estimated useful lives of the major asset categories are as follows:

Asset category	Useful lives
Land and buildings	
Land improvements	40 years
Buildings	5-100 years
Leased buildings (including fit out)	5-40 years
Plant and machinery	
Runways, roads etc (foundation)	80 years
Surfaces of new runways, roads etc	10 years
Technical installations	15-25 years
Other fixtures and fittings, tools and equipment	3-23 years

(k) Investment property

Investment properties are measured at cost less accumulated depreciation. Residual values are stated separately for each investment property. Investment property is depreciated over its useful life like other property, plant and equipment of a similar nature.

(l) Impairment of assets

The carrying amount of intangible assets and property, plant and equipment is assessed periodically to determine whether there are indications of any impairment of the value beyond what is expressed in the amortisation or depreciation charges. If indications of impairment exist, impairment testing is carried out to determine whether an impairment charge is required to write down the value of the assets. Any impairment charge is taken against the carrying amount of the assets, if that is higher than the recoverable amount.

The recoverable amount of the asset is determined as the higher of the fair value less cost to sell and the value in use. If it is not possible to determine a recoverable amount for the individual assets, the assets are assessed together in the smallest group of assets that generates cashflows largely independent of those from other assets or groups of assets.

(m) Prepayments and deferred income

Prepayments recognised under assets comprise payments made relating to goods and services to be rendered during the following financial year.

Deferred income recognised under liabilities comprises payments received relating to goods and services to be provided in subsequent financial years.

Financial Report
for year ended 31 December 2009

1 Summary of Significant Accounting Policies (continued)

(n) Borrowings

Interest bearing liabilities

Subsequent to initial recognition at fair value, net of transaction costs incurred, interest bearing liabilities are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective interest method.

Convertible loans

The convertible loans issued by subsidiaries to minority interest shareholders are carried at fair value with changes in the fair value recognised as a finance cost in the Income Statement. The fair value of the convertible loans is determined using discounted cash flow analysis. Transaction costs are expensed as incurred.

Preference shares

The preference shares issued by International Infrastructure Holdings Limited ("IIHL"), a subsidiary of MAp, to minority interest shareholders are carried at fair value with changes in the fair value recognised as a finance cost in the Income Statement. The fair value of the preference shares is determined using discounted cash flow analysis. Transaction costs are expensed as incurred.

(o) Payables/other liabilities

Liabilities are recognised when the Groups become obliged to make future payments as a result of a purchase of assets or services, whether or not billed.

The Responsible Entity of MAT1 and the Responsible Entity of MAREST (formerly Macquarie Airports Reset Exchangeable Securities Trust) have entered into an Expenses Indemnity and Fees Deed ("the Deed") dated 17 November 2004. Under the Deed, MAT1 indemnifies MAREST for any liability incurred by the Responsible Entity of MAREST in properly performing or exercising any of its powers or duties in relation to MAREST. Post the redemption of TICkETS MAREST is no longer active.

(p) Distributions and dividends

Provision is made for the amount of any distribution payable by the Groups on or before the end of the financial year but not distributed at balance date.

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at year end.

(q) Revenue and other income recognition

Investment income

Investment income from investments recognised at fair value through profit or loss constitutes changes in the fair value of investments in listed and unlisted securities. Income relating to these investments is brought to account as described in Note 1(d). Interest income on cash balances is brought to account on an accruals basis.

The following categories of revenue have been included in the MAp financial report.

Aeronautical revenue

Aeronautical revenue comprises passenger, take-off and parking charges and is recognised when the related services are provided.

Retail revenue

Retail revenue comprises sales related revenue from airport retail facilities and is recognised in line with the revenue generated from concessionaires.

Property revenue

Property revenue comprises rent for buildings and land, which is recognised over the terms of the contracts.

Financial Report
for year ended 31 December 2009

1 Summary of Significant Accounting Policies (continued)

(q) Revenue and other income recognition (continued)

Revenue from rendering of services

Revenue from the sale of services comprises revenue from hotel operations and revenue from the operation of car parking services which is recognised when delivery of services takes place.

(r) Staff costs

Provision is made for employee benefits and related on-costs accumulated when it is probable that settlement will be required and they are capable of being measured reliably. The benefits include wages and salaries, incentives, annual leave and long service leave. Provisions made in respect of employee benefits due to be settled within 12 months are measured at their nominal values using the remuneration rates expected to apply at the time of settlement. Those not due to be settled within 12 months are measured at the present value of the estimated future cash outflows. In determining the present value of future cash outflows, the interest rates attached to government-guaranteed securities which have terms to maturity approximating the terms of the related liability are used.

Provision for employees' incentives is made when the outflow of economic benefits is probable and the amount can be measured reliably.

Defined contribution plans

Contributions to defined contribution superannuation plans are recognised in the Income Statement in the period in which they arise.

Defined benefit plans

For defined benefit superannuation plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out each reporting date.

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation, adjusted for unrecognised past service cost, net of the fair value of the plan assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Staff seconded to Copenhagen Airports from the Danish State

For civil servants seconded by the Danish State, the Group recognised a pension contribution in the Income Statement, which is fixed in each year by the State and paid to the State on a regular basis.

(s) Rent and lease costs

On initial recognition, lease contracts for property, plant and equipment under which MAp has substantially all risks and rewards of ownership (finance leases) are measured in the balance sheet at the lower of the fair value and the present value of the future lease payments. The present value is calculated using the interest rate implicit in the lease as the discount factor, or an approximate value. Assets held under finance leases are subsequently accounted for as other property, plant and equipment.

The capitalised lease obligation is recognised in the balance sheet as a liability, and the finance charge is recognised in the income statement over the term of the contract.

All lease contracts that are not considered finance leases are considered operating leases. Payments in connection with operating leases are recognised in the Income Statement over the term of the lease.

(t) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they were incurred.

Financial Report
for year ended 31 December 2009

1 Summary of Significant Accounting Policies (continued)

(u) Amortisation and depreciation

Amortisation and depreciation comprise the year's charges for this purpose on MAp's intangible assets with a finite life and property, plant and equipment (refer to Notes 1(i) and 1(j)).

(v) Income tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

MAT2 and its wholly owned Australian controlled entities have formed a tax-consolidated group under Australian taxation law as of 1 January 2003. The head entity, MAT2, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax accounts. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'standalone tax payer' approach.

Due to the existence of a tax sharing arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by each member of the group in relation to the tax contribution amounts paid or payable between MAT2 and the other members of the tax-consolidated group in accordance with the arrangement. During the current year MAT2 Holdings Pty Limited ("MHPL"), MAp Airports Limited ("MAPL"), MAp Airports Sydney Kingsford Smith No.2 Pty Limited ("MASKS2") and MAp Airports Sydney Kingsford Smith No.3 Pty Limited ("MASKS3") joined the MAT2 tax-consolidated group.

Income tax has not been brought to account in respect of MAT1 as, pursuant to the Income Tax Assessment Acts, the Trust is not liable for income tax provided that its taxable income (including any assessable realised capital gains) is fully distributed to unit holders each year.

Under current Bermudian law, MAIL will not be subject to any income, withholding or capital gains taxes in Bermuda.

Copenhagen Airports

Copenhagen Airports and its wholly owned Danish subsidiaries, Copenhagen Airports Denmark ApS and Copenhagen Airports Denmark Holdings ApS have formed a tax consolidated group and is therefore taxed jointly with these companies and is jointly and severally liable with the jointly taxed companies for the payment of tax on the jointly taxed income.

1 Summary of Significant Accounting Policies (continued)

(v) Income tax (continued)

Sydney Airport

Southern Cross Airports Corporation Holdings Limited ("SCACH") and all its wholly-owned Australian controlled entities are part of a tax-consolidated group under Australian taxation law. SCACH is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'standalone tax payer' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by SCACH.

Due to the existence of a tax sharing arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by each member of the group in relation to the tax contribution amounts paid or payable between SCACH and the other members of the tax-consolidated group in accordance with the arrangement.

(w) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Groups' entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is the functional and presentation currency of MAT1 and MAT2.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

Group entities

The results and financial position of all the Groups' entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each Income Statement are translated at average exchange rates; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to security holders' equity. When a foreign operation is deconsolidated or borrowings that form part of the net investment are repaid, the cumulative exchange differences are recognised in the Income Statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(x) Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Groups designate certain derivatives as either 1 hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); 2 hedges of highly probable forecast transactions (cash flow hedge); or 3 hedges of a net investment in a foreign operation. The Groups document at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Groups also document their assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

1 Summary of Significant Accounting Policies (continued)

(x) Derivative financial instruments (continued)

(i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Income Statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement.

Amounts accumulated in equity are recycled in the Income Statement in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Income Statement.

(iii) Net investment hedges

Hedges of net investment in foreign operation are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expenses.

Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

(iv) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the Income Statement.

(y) Earnings per stapled security

Basic earnings per stapled security

Basic earnings per stapled security is determined by dividing the profit attributable to security holders by the weighted average number of securities on issue during the year.

Diluted earnings per stapled security

Diluted earnings per stapled security adjusts the figures used in the determination of basic earnings per stapled security to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary stapled securities and the weighted average number of stapled securities assumed to have been issued for no consideration in relation to dilutive potential ordinary stapled securities.

1 Summary of Significant Accounting Policies (continued)

(z) Goods and services tax ("GST") or Value added tax ("VAT")

Revenues, expenses and assets are recognised net of the amount of associated GST or VAT, unless the GST or VAT incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST or VAT receivable or payable. The net amount of GST or VAT recoverable from, or payable to, the taxation authority is included with other receivables or payable in the balance sheet.

Cash flows are presented on a gross basis. The GST or VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(aa) Significant terms and conditions of investments

MAp's investment in Sydney Airport comprises ordinary shares and redeemable preference shares issued by SCACH. The ordinary shares and redeemable preference shares are combined and issued as stapled securities in SCACH. The two classes of shares can not be traded separately and may only be traded as stapled securities.

MAp's investment in Brussels Airport comprises ordinary shares and ordinary preferred shares issued by BAISA and convertible loans advanced to BAISA under the Convertible Loan Agreements. Under the BAISA Shareholders' Agreement, ordinary shares and ordinary preferred shares in BAISA can only be transferred if the same proportion of rights and obligations under the Convertible Loan Agreement are transferred concurrently.

MAp's investment in Copenhagen Airports comprises ordinary shares issued by CASA, funding loans advanced to CASA under the Funding Loan Agreement, shareholder loans advanced to CASA under the Shareholder Loan Agreement and convertible loans advanced to CASA under the Convertible Loan Agreement. Under the CASA Shareholders' Agreement, ordinary shares can only be transferred if the same proportion of rights and obligations under the Funding Loan Agreement, the Shareholder Loan Agreement and the Convertible Loan Agreement are transferred concurrently.

(bb) Segment reporting

The Groups have applied AASB 8: *Operating Segments* from 1 January 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in a change in the identification of reportable segments presented as in the prior period the primary basis of segment reporting was geographical.

Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been indentified as the Board of the Responsible Entity.

For the year ended 31 December 2009 the segments are based on the core assets of MAp's investment portfolio being Sydney Airport, Copenhagen Airports, Brussels Airport and Bristol Airport and of MAT2 being Sydney Airport. Comparatives for the year ended 31 December 2008 have been restated.

(cc) Acquisitions of assets

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Financial Report
for year ended 31 December 2009

1 Summary of Significant Accounting Policies (continued)

(cc) Acquisitions of assets (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of MAp's share of the identifiable net assets acquired is recorded as goodwill (refer Note 1(i)). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the Income Statement, but only after a reassessment of the identification and measurement of the net assets acquired. Any subsequent changes in beneficial interest in subsidiaries are accounted for using the economic entity approach.

Where settlement of any part of the consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(dd) Critical Accounting Estimates and Judgements

The preparation of the financial report in accordance with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including reasonable expectations of future events. The directors believe the estimates used in preparation of the financial report are reasonable. Actual results in the future may differ from those reported.

The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Investments in financial assets at fair value through profit or loss

Interests in financial assets are brought to account at fair value determined in accordance with the discounted cash flow analysis methodology adopted by the directors. Discounted cash flow is the process of estimating future cash flows that are expected to be generated by an asset and discounting these cash flows to their present value by applying an appropriate discount rate. The key assumptions used in calculating the fair value are therefore the future cash flows that are expected to be generated by an asset, the future financing costs of the asset and the appropriate discount rate.

Further information on the valuation of investments in financial assets can be found in Note 1(d), and information on the sensitivity of the valuations to the key assumptions is included in Note 10.

Income Tax

The Groups are subject to income taxes in Australia and jurisdictions where they have foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Groups recognise anticipated tax liabilities based on their current understanding of the tax law.

In addition, the Groups have recognised deferred tax assets relating to carried forward losses to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same subsidiary against which the unused tax losses can be utilised. The utilisation of tax losses depends on the ability of the entity to satisfy certain tests at the time the losses are recouped.

(ee) Accounting Standards and Interpretations issued but not effective as at 31 December 2009

AASB 2008-3: Business Combinations and AASB 127: Consolidated and Separate Financial Statements

AASB 2008-3: Amendments to Australian Accounting Standards Arising from AASB 3 and AASB 127 (effective from 1 July 2009). These standards amend the accounting for certain aspects of business combinations and changes in ownership interests in controlled entities. Consequential amendments are made to other standards,

Financial Report
for year ended 31 December 2009

1 Summary of Significant Accounting Policies (continued)

(ee) Accounting Standards and Interpretations issued but not effective as at 31 December 2009 (continued)

AASB 128: *Investments in Associates* and AASB 131: *Interests in Joint Ventures*. Changes include:

- transaction costs are recognised as an expense at the acquisition date, unless the cost relates to issuing debt or equity securities;
- contingent consideration is measured at fair value at the acquisition date (allowing for a 12 month period post-acquisition to affirm fair values) without regard to the probability of having to make future payment, and all subsequent changes in fair value are recognised in profit;
- changes in control or significant influence are considered significant economic events, thereby requiring ownership interests to be remeasured to their fair value (and the gain/loss recognised in profit) when control of a controlled entity is gained or lost;
- changes in a parent's ownership interest in a controlled entity that do not result in a loss of control (e.g. dilutionary gains) are recognised directly in equity.
- Disclosure of any restrictions on the ability of associates to transfer funds to MAp in the form of cash dividends, or repayment of loans or advances.
- Disclosure of the MAp's share of the capital commitments of the joint ventures themselves.

Until future acquisitions take place that are accounted for in accordance with revised AASB 3, the impact on MAp is not known. The Groups will apply the amended standard from 1 January 2010.

AASB: 2008-6: Further Amendments to Australian Accounting Standards

AASB: 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual

Improvements Project (effective for annual periods on or after 1 July 2009)

The amendments to AASB 5 Discontinued Operations and AASB 1 First-Time Adoption of Australian-

Equivalents to International Financial Reporting Standards are part of the IASB's annual improvements project published in May 2008. They clarify that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosures should be made for this subsidiary if the definition of a discontinued operation is met. The Groups will apply the amendments prospectively to all partial disposals of subsidiaries from 1 January 2010.

AASB 2008-8: IAS 39 Financial Instruments: Recognition and Measurement

AASB 2008-8: Amendment to IAS 39 Financial Instruments: Recognition and Measurement (effective for annual periods on or after 1 July 2009). AASB 2008-8 amends AASB 139 Financial Instruments: Recognition and Measurement and must be applied retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendment makes two significant changes. It prohibits designating inflation as a hedgeable component of a fixed rate debt. It also prohibits including time value in the one-sided hedged risk when designating options as hedges. The Groups will apply the amended standard from 1 January 2010. MAp does not currently have hedges of this nature. Therefore, it is not expected to have a material impact on the Group's financial statements.

AASB 2009-4: Further Amendments to Australian Accounting Standards

AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements

Project (effective for annual periods beginning on or after 1 July 2009)

The AASB has made amendments to AASB 2 Share-based Payment, AASB 138 Intangible Assets and AASB Interpretations 9 Reassessment of Embedded Derivatives and 16 Hedges of a Net Investment in a Foreign Operation as a result to the IASB's annual improvements project. The Group will apply the amendments from 1 January 2010. Currently no adjustments are expected as a result of applying the revised rules the impact of these on future transactions will need to be assessed at the time of the transactions.

1 Summary of Significant Accounting Policies (continued)

(ee) Accounting Standards and Interpretations issued but not effective as at 31 December 2008 (continued)

AASB 2009-5 Further Amendments to Australian Accounting Standards

AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective for annual periods beginning on or after 1 July 2010)

In May 2009, the AASB issued a number of improvements to existing Australian Accounting Standards

The Group will apply the revised standards from 1 January 2011. The Groups do not expect that any adjustments will be necessary as a result of applying the revised rules. The impact on future transactions will need to be assessed as they occur.

AASB 9 Financial Instruments

The AASB issued AASB 9 Financial Instruments (effective for annual periods on or after 1 January 2013) as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. AASB 9 introduces new requirements for classifying and measuring financial assets. All financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. AASB 9 divides all financial assets that are currently in the scope of AASB 139 into two classifications, those measured at amortised cost and those measured at fair value. Classification is made at the time the financial asset is initially recognised, namely when the entity becomes a party to the contractual provisions of the instrument. The available-for-sale and held-to-maturity categories currently in AASB 139 are not included in AASB 9. All equity investments in scope of AASB 9 are to be measured at fair value in the balance sheet, with value changes recognised in profit or loss, except for those equity investments for which the entity has elected to report value changes in 'other comprehensive income'.

The current release of AASB 9 is the first of three stages aimed at replacing AASB 139 once complete. The Group will apply AASB 9 from 1 January 2013.

(ff) Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

(gg) Group formation

MAT1 and MAT2 were established in Australia on 13 July 2001 and 13 February 2002 respectively. MAIL was incorporated in Bermuda on 4 February 2002. The Responsible Entity of each of the Trusts, MAIL and MAIL's Adviser entered into the Stapling Deed on 28 March 2002.

(hh) Rounding of amounts

The Groups are of a kind referred to in Class Order 98/100 (as amended) issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Financial Report
for year ended 31 December 2009

2 Profit for the Year

The operating profit from continuing operations before income tax includes the following specific items of revenue, other income and expense:

Consolidated	MAp 31 Dec 2009 $'000	MAp 31 Dec 2008 $'000	MAT2 31 Dec 2009 $'000	MAT2 31 Dec 2008 $'000
Revenue from continuing operations				
Interest income from related parties	**70,266**	90,734	**41,840**	15,183
Interest income from other persons and corporations	**22,252**	55,663	**-**	-
Fee income	**461**	10,806	**3,206**	650
Aeronautical revenue	**417,369**	1,084,509	**-**	-
Retail revenue	**192,734**	364,567	**-**	-
Property revenue	**118,836**	206,967	**-**	-
Revenue from rendering of services	**108,295**	300,366	**-**	-
Other	**16,164**	34,876	**-**	-
Total revenue from continuing operations	**946,377**	2,148,488	**45,046**	15,833
Other income – revaluation of investments				
Revaluation of Brussels Airport	**-**	561,244	**-**	-
Revaluation of ASUR	**50,567**	-	**-**	-
Revaluation of Copenhagen Airports	**-**	753,158	**-**	-
Revaluation of other airports	**51,974**	2,792	**-**	-
Revaluation of MAEL ordinary equity	**-**	-	**-**	69,794
	102,541	1,317,194	**-**	69,794
Other income – other				
Gain from disposal of subsidiaries (BAISA and CASA)	**-**	1,551,055	**-**	-
Gain on redemption of IIHL preference shares	**76,979**	-	**-**	-
Foreign exchange gains	**16,743**	-	**2**	-
Fair value movement on derivative contracts	**67,506**	-	**-**	-
Other	**2,472**	144	**-**	1
	163,700	1,551,199	**2**	1
Total other income	**266,241**	2,868,393	**2**	69,795
Total revenue and other income from continuing operations	**1,212,618**	5,016,881	**45,048**	85,628

Financial Report
for year ended 31 December 2009

2 Profit for the Year (continued)

Consolidated	Note	MAp 31 Dec 2009 $'000	MAp 31 Dec 2008 $'000	MAT2 31 Dec 2009 $'000	MAT2 31 Dec 2008 $'000
Operating expenses from continuing operations					
Finance costs					
Interest expense (TICkETS)		**57,716**	59,394	**-**	-
Interest expense (MACH debt facility)		**-**	65,441	**-**	-
Interest expense (MAT2 Subsidiaries)		**-**	-	**247,630**	132,895
Interest expense (Brussels)		**-**	111,169	**-**	-
Interest expense (Copenhagen)		**-**	40,500	**-**	-
Interest expense (Sydney)		**462,028**	509,450	**-**	-
Finance costs IIHL preference shares		**62,336**	-	**-**	-
Interest expense other		**1,083**	3,067	**720**	2,252
Fair value movement on convertible loans		**-**	5,552	**-**	-
Total finance costs from continuing operations		**583,163**	794,573	**248,350**	135,147
Administration expenses					
Auditors' remuneration	4	**1,347**	2,019	**304**	372
Custodians' fees		**538**	489	**232**	260
Directors' fees		**1,064**	431	**644**	-
Investment transaction expenses		**2,914**	3,373	**-**	4
Investor communication expenses		**433**	635	**223**	235
Legal fees		**2,156**	2,121	**109**	248
Registry fees		**1,032**	979	**372**	333
Responsible Entity's and Adviser's base fees		**26,657**	42,595	**5,782**	9,875
Service fee to related entities		**-**	-	**926**	-
Adviser's performance fee		**-**	1,972	**-**	-
Staff costs		**2,358**	-	**1,583**	-
TICKETS redemption expenses		**42,884**	-	**-**	-
Adviser's termination fee in relation to BABL restructure*		**-**	118,955	**-**	-
Other administration expenses		**1,560**	2,403	**522**	359
Total administration expenses		**82,943**	175,972	**10,697**	11,686
Other operating expenses					
Revaluation of Japan Airport Terminal		**49,417**	189,336	**-**	-
Revaluation of Sydney Airport		**-**	-	**6,113**	319,734
Revaluation of Bristol Airport		**104,258**	2,973	**-**	-
Revaluation of ASUR		**-**	54,383	**-**	-
Revaluation of Brussels Airport		**137,948**	-	**-**	-
Revaluation of Copenhagen Airports		**204,728**	-	**-**	-
Revaluation of other airports		**4,050**	91,887	**60**	-
Foreign exchange losses		**-**	33,332	**-**	-
Fair value movement on derivative contracts		**-**	14,727	**-**	-
Loss from deconsolidation of subsidiary (BABL)		**-**	146,744	**-**	-
Staff costs		**35,188**	298,412	**-**	-
Amortisation and depreciation		**284,067**	595,914	**-**	-
Operating and maintenance		**95,109**	287,997	**-**	-
Energy and utilities		**14,661**	36,253	**-**	-
Technology		**3,301**	3,798	**-**	-
Other external costs		**15,899**	55,756	**-**	-
Total other operating expenses		**948,626**	1,811,512	**6,173**	319,734
Internalisation expenses					
Fee in relation to termination of management arrangements		**345,000**	-	**145,367**	-
Internalisation costs		**6,055**	-	**1,941**	-
		351,055	-	**147,308**	-
Total operating expenses from continuing operations		**1,965,787**	2,782,057	**412,528**	466,567

* During the prior year BABL terminated the Advisory Agreement with Macquarie Capital Funds (Europe) Limited and in accordance with the terms of the Termination Deed a termination fee in lieu of any and all future performance fees became payable. The terms of the termination deed were negotiated between the Adviser and the shareholders of BABL excluding MAp. MAp's share of the termination fee paid was $76.4 million.

Financial Report
for year ended 31 December 2009

2 Profit for the Year (continued)

Parent Entity	Note	**MAT1 31 Dec 2009 $'000**	MAT1 31 Dec 2008 $'000	**MAT2 31 Dec 2009 $'000**	MAT2 31 Dec 2008 $'000
Revenue from continuing operations					
Interest income from MAT2 subsidiaries		**248,058**	132,895	**-**	-
Interest income from loans to MAIL subsidiaries		**106,015**	18,324	**-**	-
Interest income from other related parties		**7,769**	13,868	**9,063**	9,682
Interest income other		**1,150**	-	**-**	-
Fee income		**-**	-	**238**	590
Total revenue from continuing operations		**362,992**	165,087	**9,301**	10,272
Other income – revaluation of investments					
Revaluation of MASKS3 ordinary shares		**-**	-	**6,937**	-
Revaluation of Sydney Airport		**65,609**	-	**-**	-
Revaluation of MAREST		**-**	2,793	**-**	-
Revaluation of TICkETS Defeasance Trust		**3,618**	68,451	**-**	-
Revaluation of MAST		**-**	7	**-**	-
Revaluation of MASHT		**17,407**	-	**-**	-
Revaluation of MAEL		**-**	-	**-**	69,794
Other revaluation		**154**	-	**-**	-
		86,788	71,251	**6,937**	69,794
Other income – other					
Other		**2,471**	33	**-**	1
		2,471	33	**-**	1
Total other income		**89,259**	71,284	**6,937**	69,795
Total revenue and other income from continuing operations		**452,251**	236,371	**16,238**	80,067
Operating expenses from continuing operations					
Finance costs					
Interest expense (First On Lending Agreement)		**26,321**	28,031	**-**	-
Interest expense (On Lending Agreement)		**31,395**	31,363	**-**	-
Interest expense (related parties)		**36,615**	4,509	**597**	1,712
Total finance costs from continuing operations		**94,331**	63,903	**597**	1,712
Administration expenses					
Auditors' remuneration	4	**303**	428	**229**	313
Custodians' fees		**306**	229	**208**	231
Directors fees		**366**	-	**365**	-
Investment transaction expenses		**-**	-	**-**	4
Investor communication expenses		**120**	242	**191**	235
Legal fees		**237**	528	**60**	247
Registry fees		**29**	55	**360**	327
Services fee – other related parties		**842**	-	**639**	-
Responsible Entity's base fees		**5,605**	10,435	**5,783**	9,875
TICkETS redemption expenses		**42,884**	-	**-**	-
Other administration expenses		**863**	1,957	**366**	345
Total administration expenses		**51,555**	13,874	**8,201**	11,577
Other operating expenses					
Revaluation of Sydney Airport		**-**	127,674	**-**	-
Revaluation of MAST		**1**	-	**-**	-
Revaluation of MAHPL		**14,506**	-	**-**	-
Revaluation of MAREST		**4,050**	-	**-**	-
Revaluation of MAHPL		**-**	14,419	**-**	-
Revaluation of MASH ordinary shares		**-**	-	**203,022**	355,226
Revaluation of MASHT		**-**	17,407	**-**	-
Revaluation of MASKS2 ordinary shares		**-**	-	**8,122**	-
Revaluation of MAEL		**-**	-	**60**	-
Total other operating expenses		**18,557**	159,500	**211,204**	355,226
Internalisation expenses					
Fee in relation to termination of management arrangements		**-**	-	**145,357**	-
Internalisation related expenses		**2,138**	-	**1,951**	-
		2,138	-	**147,308**	-
Total operating expenses from continuing operations		**166,581**	237,277	**367,310**	368,515

Financial Report
for year ended 31 December 2009

3 Income Tax Expense

The income tax for the financial year differs from the amount calculated on the net result from continuing operations. The differences are reconciled as follows:

Consolidated	Note	**MAp 31 Dec 2009 $'000**	MAp 31 Dec 2008 $'000	**MAT2 31 Dec 2009 $'000**	MAT2 31 Dec 2008 $'000
(a) (Loss)/profit from continuing operations before income tax expense		**(753,169)**	2,234,824	**(367,480)**	(380,939)
Income tax (benefit) / expense calculated @ 30%		**(225,951)**	670,447	**(110,244)**	(114,282)
Tax effect of permanent differences:					
Non-deductible expenditure		**4,324**	60,043	**1**	3,080
Depreciation and amortisation		**8,469**	18,641	**-**	-
Non assessable income		**(38)**	-	**(38)**	(16,790)
Sundry items		**554**	(1,374)	**(58)**	(138)
Over provision in previous year		**(499)**	(1,699)	**(433)**	-
Difference in overseas tax rates		**-**	(10,902)	**-**	-
Future income tax benefit not brought to account attributable to tax losses		**700**	-	**700**	-
Tax effect of operating results of Australian trusts (refer Note 1(v))					
MAT1 Group		**(96,186)**	9,889	**-**	-
SCAAT		**(25,115)**	(44,945)	**(25,115)**	(28,155)
Prior year tax losses recouped during the year		**-**	(1,784)	**-**	(1,784)
Tax effect of operating result of Bermudian entities (refer Note 1(v))		**195,650**	(703,054)	**-**	-
Income tax benefit		**(138,092)**	(4,738)	**(135,187)**	(158,069)
(b) Income tax (benefits)/expense					
Income tax (benefit)/expense comprises:					
Over provision in previous year		**(499)**	(1,699)	**(433)**	(125)
Current taxation provision		**12,934**	150,647	**-**	8,217
Deferred income tax liability		**(150,527)**	(153,686)	**(134,754)**	(166,161)
		(138,092)	(4,738)	**(135,187)**	(158,069)
Income tax (benefit)/expense is attributable to:					
Profit from continuing operations		**(138,092)**	(4,738)	**(135,187)**	(158,069)
Aggregate income tax benefit		**(138,092)**	(4,738)	**(135,187)**	(158,069)
Deferred income tax (benefit)/expense included in income tax expense comprises:					
Decrease in deferred tax liabilities	18	**(150,527)**	(153,686)	**(134,753)**	(166,161)
		(150,527)	(153,686)	**(134,753)**	(166,161)
(c) Amounts recognised directly in equity					
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity:					
Current tax – credited directly to equity		**-**	3,486	**-**	-
Net deferred tax – (debited)/credited directly to equity	18	**(66,898)**	183,093	**(25)**	(13)
		(66,898)	186,579	**(25)**	(13)
(d) Tax losses					
Unused tax losses for which no deferred tax asset has been recognised		**2,334**	-	**2,334**	-
Potential tax benefit @ 30%		**700**	-	**700**	-

3 Income Tax Expense (continued)

Parent Entity	Note	MAT1 31 Dec 2009 $'000	MAT1 31 Dec 2008 $'000	MAT2 31 Dec 2009 $'000	MAT2 31 Dec 2008 $'000
(a) Profit/(loss) from continuing operations before income tax expense		**285,670**	(906)	**(351,072)**	(288,448)
Income tax expense / (benefit) calculated @ 30%		**85,701**	(272)	**(105,322)**	(86,534)
Tax effect of permanent differences:					
Non-deductible expenditure		**-**	-	**43,627**	3,080
Non assessable income		**-**	-	**(10,572)**	(20,852)
Sundry items		**-**	-	**(58)**	(13)
Over provision in previous year		**-**	-	**(434)**	(125)
Tax effect of operating results of Australian trusts (refer Note 1(v))					
MAT1 Group		**(85,701)**	272	**-**	-
Prior year tax losses recouped during the year		**-**	-	**-**	(1,784)
Income tax benefit		**-**	-	**(72,759)**	(106,228)
(b) Income tax expense/(benefit)					
Income tax expense/(benefit) comprises:					
Over provision in previous year		**-**	-	**(434)**	(125)
Current year income tax		**-**	-	**(9,148)**	(705)
Deferred income tax liability	18	**-**	-	**(63,177)**	(105,398)
		-	-	**(72,759)**	(106,228)
Income tax expense/(benefit) is attributable to:					
Profit from continuing operations		**-**	-	**(72,759)**	(106,228)
Aggregate income tax benefit		**-**	-	**(72,759)**	(106,228)
(c) Amounts recognised directly in equity					
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity:					
Net deferred tax – debited directly to equity	18	**-**	-	**(25)**	(13)
		-	-	**(25)**	(13)
(d) Tax losses*					
Unused tax losses for which no deferred tax asset has been recognised		**-**	-	**2,334**	-
Potential tax benefit @ 30%		**-**	-	**700**	-

* All unused tax losses were incurred by Australian entities.

Financial Report
for year ended 31 December 2009

4 Remuneration of Auditors

Consolidated	**MAp 31 Dec 2009 $**	MAp 31 Dec 2008 $	**MAT2 31 Dec 2009 $**	MAT2 31 Dec 2008 $
Amounts paid or payable to PricewaterhouseCoopers Australian firm for:				
Audit services	**1,017,599**	1,086,671	**172,856**	200,048
Other services				
Taxation compliance services	**307,293**	418,472	**113,298**	154,451
Trust compliance services	**15,840**	30,726	**15,840**	15,840
Other assurance services	**6,101**	2,860	**1,705**	1,430
	1,346,833	1,538,729	**303,699**	371,769
Amounts paid or payable to related practices of PricewaterhouseCoopers Australian firm for:				
Audit services	**-**	471,119	**-**	-
	-	471,119	**-**	-
Amounts paid or payable to Deloitte Australian firm for:				
Audit services	**-**	9,350	**-**	-
	-	9,350	**-**	-
	1,346,833	2,019,198	**303,699**	371,769

Parent Entity	**MAT1 31 Dec 2009 $**	MAT1 31 Dec 2008 $	**MAT2 31 Dec 2009 $**	MAT2 31 Dec 2008 $
Amounts paid or payable to PricewaterhouseCoopers Australian firm for:				
Audit services	**167,965**	211,344	**161,366**	188,473
Other services				
Taxation compliance services	**133,915**	199,985	**58,434**	114,774
Trust compliance services	**-**	14,886	**7,920**	7,920
Other assurance services	**1,430**	1,430	**1,430**	1,430
	303,310	427,645	**229,150**	312,597

Financial Report
for year ended 31 December 2009

5 Distributions and Dividends Paid and Proposed

Consolidated	**MAp 31 Dec 2009 $'000**	MAp 31 Dec 2008 $'000	**MAT2 31 Dec 2009 $'000**	MAT2 31 Dec 2008 $'000
The distributions were paid/payable as follows:				
Interim distribution paid for the period ended 30 June	**221,796**	223,425	**-**	-
Final dividend proposed and subsequently paid for the year ended 31 December	**148,897**	239,909	**-**	-
	370,693	463,334	**-**	-
	Cents per stapled security	Cents per stapled security	**Cents per unit**	Cents per unit
Interim distribution paid for the period ended 30 June (100% unfranked)	**13.0**	13.0	**-**	-
Final dividend proposed and subsequently paid for the year ended 31 December (100% unfranked)				
Distribution	**8.0**	14.0	**-**	-
	21.0	27.0	**-**	-

Parent Entity	**MAT1 31 Dec 2009 $'000**	MAT1 31 Dec 2008 $'000	**MAT2 31 Dec 2009 $'000**	MAT2 31 Dec 2008 $'000
The distributions were paid/payable as follows:				
Interim distribution paid for the period ended 30 June	**221,796**	223,425	**-**	-
Final distribution proposed and subsequently paid for the year ended 31 December	**-**	239,909	**-**	-
	221,796	463,334	**-**	-
	Cents per unit	Cents per unit	**Cents per unit**	Cents per unit
Interim distribution paid for the period ended 30 June (100% unfranked)	**13.0**	13.0	**-**	-
Final distribution proposed and subsequently paid for the year ended 31 December (100% unfranked)				
Distribution	**-**	14.0	**-**	-
	13.0	27.0	**-**	-

Financial Report
for year ended 31 December 2009

6 Cash and Cash Equivalents

Consolidated	**MAp 31 Dec 2009 $'000**	MAp 31 Dec 2008 $'000	**MAT2 31 Dec 2009 $'000**	MAT2 31 Dec 2008 $'000
Cash at bank	**224,037**	441,886	**12,928**	7,062
Negotiable certificates of deposit and commercial papers	**1,235,604**	1,872,099	**47,355**	463,286
	1,459,641	2,313,985	**60,283**	470,348

Parent Entity	**MAT1 31 Dec 2009 $'000**	MAT1 31 Dec 2008 $'000	**MAT2 31 Dec 2009 $'000**	MAT2 31 Dec 2008 $'000
Cash at bank	**20,904**	22,078	**2,563**	5,861
Negotiable certificates of deposit and commercial papers	**278,314**	288,868	**-**	412,497
	299,218	310,946	**2,563**	418,358

(a) Negotiable Certificates of Deposit and Commercial Papers

The outstanding negotiable certificates of deposit and commercial papers held by MAp at year end paid interest at an average rate of 4.03% (2008: 4.70%) per annum.

The outstanding negotiable certificates of deposit and commercial papers held by the MAT2 Group at year end paid interest at an average rate of 4.10% (2008: 4.88%) per annum.

The outstanding negotiable certificates of deposit and commercial papers held by MAT1 at year end paid interest at an average rate of 4.36% (2008: 4.70%) per annum.

(b) Cash not available for use

In the prior year included within both MAT1 parent and MAp cash at bank is $14.7 million in a separate bank account were only able to be used for paying interest on the First On Lending Agreement ("FOLA") and the On Lending Agreement ("OLA") (refer Note 17). MAT1 had to maintain a Distribution Service Reserve Account at a balance of no less than three months of contractual interest on the FOLA and the OLA. The loans were repaid in full on 29 December 2009.

Included in the MAp consolidated cash balance is $90.8 million (2008: $94.4 million) in a separate bank account held by Southern Cross Airports Corporation Pty Limited ("SCAC"), which is being held as a liquidity and debt servicing reserve and can only be used for the payment of debt. An additional $18.5 million (2008: $32.0 million) in the MAp consolidated cash balance is being held by SCAC as a distribution reserve account for the Sydney Kingsford Smith Interest Earning Securities ("SKIES").

Discussion of the Groups' and Parents' policies concerning the management of credit risk can be found in Note 28.

Financial Report
for year ended 31 December 2009

7 Other Financial Assets

Consolidated	MAp 31 Dec 2009 $'000	MAp 31 Dec 2008 $'000	MAT2 31 Dec 2009 $'000	MAT2 31 Dec 2008 $'000
Term deposits	-	39,568	-	-
Bank bonds	-	760,460	-	-
Guaranteed investment contract	-	38,464	-	-
	-	838,492	-	-

Other financial assets in the prior year mainly represent the investments of the TICkETS Defeasance Trust ("TDT"). The TDT was established and funded sufficiently by MAp to ensure all future obligations under the TICkETS are covered. The TDT has invested in bank bonds, term deposits and a guaranteed investment contract. The funds can not be used for any other purpose. The bank bonds, term deposits and guaranteed investment contract matured in December 2009 and were used to fund the redemption of TICKETS on 31 December 2009.

The weighted average interest rates paid in the prior year are 4.60% for term deposits, 4.45% for bank bonds and 4.10% for the guaranteed investment contract.

MAT1 and MAT2 parent entities do not have any other financial assets.

8 Receivables

Consolidated	MAp 31 Dec 2009 $'000	MAp 31 Dec 2008 $'000	MAT2 31 Dec 2009 $'000	MAT2 31 Dec 2008 $'000
Current				
Other interest receivable	**1,195**	342	**7**	38
GST receivable	**15,345**	645	**15,057**	308
Withholding tax receivable	**3,460**	5,779	**-**	-
Income tax receivable	**-**	-	**-**	-
Receivables from related parties	**-**	240	**35,422**	26,220
Accrued revenue	**1,680**	1,085	**-**	-
Receivable from federal government on land rich tax indemnity[1]	**401,525**	481,535	**-**	-
Other receivables	**50**	2,728	**-**	179
	423,255	492,354	**50,486**	26,745
Trade receivables	**91,683**	78,845	**-**	-
Provision for doubtful receivables	**(787)**	(406)	**-**	-
Total current receivables	**514,151**	570,793	**50,486**	26,745
Non-current				
Lease receivable	**30,816**	29,070	**-**	-
Receivables from related parties	**-**	-	**832,300**	433,013
Other	**10,879**	-	**-**	-
Total non-current receivables	**41,695**	29,070	**832,300**	433,013

1. The receivable from the federal government relates to an indemnity on stamp duty in relation to Sydney Airport. As part of the sale of Sydney Airport, the Commonwealth agreed to pay any land rich stamp duty assessed to SCACH by the NSW Office of State Revenue in relation to the transfer of the shares and granted SCACH an indemnity against any obligation to pay such duty (including any penalties or interest that are payable). A matching liability for the stamp duty payable has been recognised (refer note 15).

8 Receivables (continued)

Parent Entity	MAT1 31 Dec 2009 $'000	MAT1 31 Dec 2008 $'000	MAT2 31 Dec 2009 $'000	MAT2 31 Dec 2008 $'000
Current				
Interest receivable on MASH redeemable preference shares	**20,176**	-	**-**	-
Interest receivable on MASHT redeemable preference shares	**14,983**	6,497	**-**	-
Interest receivable on MASKS1 redeemable preference shares	**13,509**	-	**-**	-
Interest receivable on MASKS2 redeemable preference shares	**71,735**	-	**-**	-
Interest receivable on MASKS3 redeemable preference shares	**2,695**	-	**-**	-
Interest receivable on MASKS4 redeemable preference shares	**7,028**	-	**-**	-
Other interest receivable	**14**	227	**7**	38
GST receivable	**283**	337	**236**	307
Receivables from related parties	**1,133**	-	**-**	25,726
Other receivables	**31**	3,743	**-**	162
Total current receivables	**131,587**	10,804	**243**	26,233
Non-current				
Receivables from related parties	**78,546**	-	**858,840**	433,013
Total non current receivables	**78,546**	-	**858,840**	433,013

The fair values of receivables approximate their carrying values. The Groups' and Parents' maximum credit exposure for receivables is the carrying value.

Discussion of the Groups' and the Parents' policies concerning the management of credit risk can found in Note 28.

9 Derivative Financial Instruments

Consolidated	MAp 31 Dec 2009 $'000	MAp 31 Dec 2008 $'000	MAT2 31 Dec 2009 $'000	MAT2 31 Dec 2008 $'000
Current assets				
Forward FX contracts	**751**	4,212	**-**	-
Total current derivative financial instrument assets	**751**	4,212	**-**	-
Non-current assets				
Forward FX contracts	**-**	3,309	**-**	-
Total non-current derivative financial instrument assets	**-**	3,309	**-**	-
Current liabilities				
Forward FX contracts	**1,315**	6,798	**-**	-
Interest rate swap contracts	**60,417**	9,669	**-**	
Total current derivative financial instrument liabilities	**61,732**	16,467	**-**	-
Non-current liabilities				
Interest rate swap contracts	**11,359**	285,765	**-**	-
Total non-current derivative financial instrument liabilities	**11,359**	285,765	**-**	-

9 Derivative Financial Instruments (continued)

Instruments used by MAp

At 31 December 2009, MAp is party to derivative financial instruments entered into in the normal course of business in order to hedge exposure to fluctuations in interest and foreign exchange rates in accordance with MAp's financial risk management policies (refer to Note 28).

(i) Interest rate swap contracts – cash flow hedges

Floating interest bearing liabilities of MAp currently bear an average variable interest rate of 5.50% (2008: 3.93%). It is policy to protect part of the loans from exposure to increasing interest rates. Accordingly, MAp's operating subsidiaries have entered into interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates.

Sydney Airport

Sydney Airport has entered into interest rate swaps to hedge their floating rate interest bearing liabilities. Swaps currently cover 94% (2008: 96%) of floating rate loan principal outstanding at balance date. At 31 December 2009 the maturity, the notional amounts and the weighted averaged fixed interest rates on the swaps were as follows:

Sydney Airport	**2009 $'000**	**Weighted average fixed interest rate**	2008 $'000	Weighted average fixed interest rate
Less than 1 year	**-**	**-%**	1,640,000	5.66%
1-2 years	**898,105**	**6.22%**	-	-
2-3 years	**1,963,000**	**6.30%**	898,105	6.22%
3-4 years	**-**	**-%**	1,870,000	6.33%
4-5 years	**189,000**	**4.78%**	-	-
Greater than 5 years	**875,000**	**6.42%**	860,000	6.03%
	3,925,105	**6.23%**	5,268,105	6.05%

At balance date these contracts were liabilities with a fair value of $60.4 million (2008: liabilities $9.7 million) presented as a current liability and $11.4 million (2008: liabilities $285.8 million) presented as a non-current liability.

(ii) Forward foreign exchange contracts

In order to protect against exchange rate movements, MAp has entered into forward exchange contracts to sell Danish Krone, Euros and Japanese Yen. These contracts are generally hedging anticipated receipts of distributions from MAp's underlying investments and expected payments.

At balance date, the details of the outstanding contracts held by MAp:

	Buy Australian dollars		**Average exchange rate**	
Sell Euros	**2009 $'000**	2008 $'000	**2009**	2008
Maturity				
0-6 months	**75,771**	4,635	**0.6153**	0.5782

	Buy Australian dollars		**Average exchange rate**	
Sell DKK	**2009 $'000**	2008 $'000	**2009**	2008
Maturity				
0-6 months	**-**	26,554	**-**	4.3478
6-12 months	**14,125**	16,069	**4.2796**	4.2379

	Buy Australian dollars		**Average exchange rate**	
Sell JPY	**2009 $'000**	2008 $'000	**2009**	2008
Maturity				
6-12 months	**-**	144,340	**-**	60.42
12-24 months	**-**	148,141	**-**	58.87

Instruments used by MAT2 Group, MAT2 Parent and MAT1 Parent

The MAT2 Group, MAT2 Parent and MAT1 Parent did not hold any derivatives during the year or as at 31 December 2009 (2008: nil).

Financial Report
for year ended 31 December 2009

10 Investments in Financial Assets

The table below summarises the movements in MAp's significant investments during the year ended 31 December 2009.

Consolidated 2009	Brussels Airport $'000 10(i)	Copenhagen Airports * $'000 10(ii)	Bristol Airport $'000 10(iii)	JAT $'000 10(iv)	ASUR $'000 10(v)
Balance at 1 January 2009	**1,114,302**	**1,054,284**	**336,793**	**372,792**	**127,519**
Acquisitions	**-**	**124,357**	**-**	**-**	**-**
Income received from investments	**(29,058)**	**-**	**-**	**(1,558)**	**(14,050)**
Revaluation (decrement)/increment to 31 December 2009	**(137,948)**	**(204,728)**	**(104,258)**	**(49,417)**	**50,567**
Disposals	**-**	**(72)**	**(226,089)**	**(249,070)**	**-**
Revaluation increments attributable to foreign exchange movements recognised directly in equity to 31 December 2009	**-**	**(1,501)**	**-**	**(72,747)**	**(25,733)**
Balance at 31 December 2009	**947,296**	**972,340**	**6,446**	**-**	**138,303**

* Copenhagen Airports represents MAp's investment in CASA the holding entity through which the Copenhagen Airports investment was held as well as a direct investment into Copenhagen Airports.

Consolidated 2008	Brussels Airport $'000 10(i)	Copenhagen Airports $'000 10(ii)	Bristol Airport $'000 10(iii)	JAT $'000 10(iv)	ASUR $'000 10(v)
Balance at 1 January 2008	-	-	545,881	388,637	74,775
Acquisitions	-	-	-	-	77,708
Income received from investments	-	-	(13,747)	(3,481)	(7,444)
Deconsolidation adjustment	553,058	301,126	(145,112)	-	-
Revaluation increment/(decrement) to 31 December 2008	561,244	753,158	(2,973)	(189,336)	(54,383)
Revaluation increments attributable to foreign exchange movements recognised directly in equity to 31 December 2008	-	-	(47,256)	176,972	36,863
Balance at 31 December 2008	1,114,302	1,054,284	336,793	372,792	127,519

At 31 December 2009, the value of MAp's investments in non-controlled airport assets is $2,065.3 million (2008: $3,101.7 million) (including minority interests). The value of these investments which are unlisted has been determined by discounted cash flow analyses in accordance with the valuation framework adopted by the directors and applying specified risk premia as outlined in Note 1(d). The investment valuation sensitivity to movements in the risk premia and revenue forecasts is disclosed in the table below.

MAp Consolidated	2009 1% lower $ million	2009 1% higher $ million	2008 1% lower $ million	2008 1% higher $ million
Change in valuation of investments due to movement in the risk premia				
Brussels Airport	**111.6**	**(95.7)**	127.1	(108.9)
Copenhagen Airports	**131.1**	**(109.5)**	124.9	(105.4)
Bristol Airport	**-**	**-**	44.0	(37.5)
	242.7	**(205.2)**	296.0	(251.8)
Change in the valuation of investments due to movement in revenue forecasts				
Brussels Airport	**(23.2)**	**23.4**	(30.3)	30.1
Copenhagen Airports	**(26.3)**	**26.7**	(29.2)	26.4
Bristol Airport	**-**	**-**	(7.5)	7.3
	(49.5)	**50.1**	(67.0)	63.8

Financial Report
for year ended 31 December 2009

10 Investments in Financial Assets (continued)

MAp Consolidated	Consolidated 31 Dec 2009 $'000	Consolidated 31 Dec 2008 $'000
Brussels Airport (i)		
Interests in unlisted securities in companies and trusts		
Investment in Brussels Airport Investments S.a r.l. (formerly Macquarie Airports (Brussels) S.A.)	**947,296**	1,114,302
Copenhagen Airports (ii)		
Interests in unlisted securities in companies and trusts		
Investment in Copenhagen Airports S.a r.l. (formerly Macquarie Airports (Europe) No. 2 S.A.)	**832,150**	1,054,284
Investment in KøbenhavnsLufthavne A/S	**140,190**	-
Bristol Airport (iii)		
Interests in unlisted securities in companies and trusts		
Investment in Bristol Airport (Bermuda) Limited	**6,446**	336,793
Japan Airport Terminal (iv)		
Interests in listed securities in companies and trusts		
Investment in Japan Airport Terminal Co Ltd	**-**	372,792
ASUR (v)		
Interests in listed securities in companies and trusts	**138,303**	127,519
Other investments (vi)		
Other investments	**943**	5,049
Total investments	**2,065,328**	3,010,739

(i) Brussels Airport

MAp's investment in Brussels Airport is held through BAISA, a special purpose vehicle established by a MAp led consortium to acquire an interest in The Brussels Airport Company ("Brussels Airport"). BAISA holds a 75.0% controlling interest in Brussels Airport.

MAp's investment in BAISA is comprised of ordinary shares, ordinary preferred shares ("OPS") and convertible loans. Both the ordinary shares and the OPS carry a right to vote at Shareholder meetings.

The convertible loans issued by BAISA entitle the holders to effectively all of the income of BAISA and have a term of 51 years, unless terminated earlier in accordance with the terms of the Convertible Loan Agreements. Under the Convertible Loan Agreements, MAIL may (with the consent of other shareholders) at any time prior to the expiry term apply to convert the outstanding loan into BAISA OPS.

At 31 December 2009, MAp held a 48.0% interest in BAISA. MAp's beneficial interest in Brussels Airport at 31 December 2009 was 36.0% and, as set out in Note 31, on 21 January 2010, it increased to 39% following the acquisition of the 4.0% interest in BAISA held by Macquarie Global Infrastructure Fund 2 ("GIF2").

Currently, the other shareholders in BAISA are Macquarie European Infrastructure Fund LP ("MEIF") with a 13.3% interest, Macquarie European Infrastructure Fund III ("MEIF3") with a 34.7% interest. If there is a change of control of a Macquarie shareholder, including where a Macquarie Group entity ceases to be its manager (but excluding a listing of the fund or the sale of its assets undertaken in the course of liquidating, terminating or winding up the fund), MAp has the option to purchase that interest in BAISA at fair value. The other shareholders do not have a corresponding right in respect of a change of control of MAp for so long as it is listed on a stock exchange.

Financial Report
for year ended 31 December 2009

10 Investments in Financial Assets (continued)

(ii) Copenhagen Airports

MAp's investment in Copenhagen Airports is held through CASA and directly in Copenhagen Airports. CASA holds a 53.7% controlling interest in Copenhagen Airports.

MAp's investment in CASA is comprised of ordinary shares, shareholder loans and convertible loans.

The shareholder loans issued by CASA have a term of 51 years, unless terminated earlier in accordance with the terms of the Shareholder Loan Agreement. Under the Shareholder Loan Agreement, MAIL may (with the consent of the other shareholders) at any time prior to the expiry term apply to convert the outstanding loan into CASA OPS.

The convertible loans issued by CASA have a term of 51 years, unless terminated earlier in accordance with the terms of the Convertible Loan Agreement. Under the Convertible Loan Agreement, MAIL may at any time prior to the expiry term apply to convert the outstanding loan into CASA OPS.

At 31 December 2009, MAIL held a 50.0% interest in CASA and a 3.9% direct interest in Copenhagen Airports. MAIL's beneficial interest in Copenhagen Airports at 31 December 2009 is 30.8%.

MEIF3 holds the other 50% interest in CASA. If there is a change of control of MEIF3, including where a Macquarie Group entity ceases to be its manager (but excluding a listing of the fund or the sale of its assets undertaken in the course of liquidating, terminating or winding up the fund), MAp has the option to purchase that interest in BAISA at fair value.

(iii) Bristol Airport

The Company has a 1.0% interest in Bristol Airport through its investment in BABL which owns 50% of Bristol Airport. During the year MAIL sold a 58.4% interest in BABL to Ontario Teachers' Pension Plan ("OTPP") and as at 31 December 2009 holds a 2.0% interest in BABL.

The remaining 2.0% interest in BABL is subject to a put and a call option at an exercise price of GBP3.6 million ($6.5 million). The put option may be exercised by MAIL at any time during the six month period from the completion of the refinancing of the Bristol airport debt facility, the call option may be exercised by OTPP at any time during the six months commencing from the end of the put option.

(iv) Japan Airport Terminal

MAp's interest in Japan Airports Terminal ("JAT") was held through International Infrastructure Holdings Limited ("IIHL"), a company owned 75.1% by the Company and 24.9% by Macquarie Capital Group Limited ("MCGL").

On 20 May 2009, MAp announced its intention to tender its entire 14.9% interest in JAT into JAT's buyback tender offer. JAT shareholders approved the buyback on 26 June 2009. The buyback was completed on 3 August 2009 and MAp disposed of its entire interest in JAT. Gross sale proceeds approximated $260.0 million (including the benefit of hedging arrangements that were previously entered into).

(v) ASUR

MAIL's beneficial interest in Grupo Aeroportuario del Sureste ("ASUR") is 8.0%. ASUR is a Mexican airport group, listed on the New York and Mexican Exchanges. ASUR operates nine airports in the southeast of Mexico under 50 year concession contracts. MAp holds a further 7.9% economic interest through a series of swap agreements this is presented as cash and other assets.

(vi) Other investments

Other investments comprises investments in other airports and other airport related investments.

10 Investments in Financial Assets (continued)

MAT2 Consolidated	**MAT2 31 Dec 2009 $'000**	MAT2 31 Dec 2008 $'000
Sydney Airport		
Interest in unlisted securities in a company		
Investment in Southern Cross Airports Corporation Holdings Limited (i)	**4,504,663**	3,232,798
MAp Airports (Europe) Limited ("MAEL")		
Interests in unlisted securities in companies and trusts		
Investment in MAEL (ii)	**374**	433
Total investments	**4,505,037**	3,233,231

(i) Sydney Airport

MAT2's interest in Sydney Airport is held through its investment in MAp Airports Sydney Kingsford Smith No. 1 Pty Limited (MASKS1, formerly Macquarie Airports Sydney Kingsford Smith No. 1 Pty Limited), MAp Airports Sydney Kingsford Smith No. 4 Pty Limited (MASKS4, formerly Macquarie Airports Sydney Kingsford Smith No. 4 Pty Limited) and MAp Airports (Sydney Holdings) Two Pty Limited (MASHT, formerly Macquarie Airports (Sydney Holdings) Two Pty Limited). MASKS1, MASKS4 and MASHT hold units in Southern Cross Australian Airports Trust (SCAAT), which holds stapled securities issued by Southern Cross Airports Corporation Holdings Limited (SCACH), the holding company of Sydney Airport.

Each stapled security issued by SCACH represents one ordinary share and one redeemable preference share. The redeemable preference shares issued by SCACH are redeemable at $200 per share on the date 30 years after the issue date of the shares, provided that any redemption must be effected in accordance with the Corporations Act 2001. The holders of the shares have the right to receive a fixed cumulative dividend at a rate of 13.5% per annum on the capital paid up and any unpaid dividend per share, subject to available cash. On distribution of capital on a winding up of SCACH, holders of redeemable preference shares shall be entitled to the repayment of capital paid up on the shares, in priority to any repayment to the ordinary shareholders of SCACH.

(ii) MAp Airports (Europe) Limited ("MAEL")

MAEL, a subsidiary of MAIL, is a special purpose vehicle that was originally set up by MAp to hold its investment in CASA and BAISA. During the prior year MAEL sold 50% of its interest in CASA and 34.7% of its interest in BAISA to MEIF3. As part of the distribution of the sale proceeds, MAEL made a distribution of cash to MAT2 and a distribution of cash and property to MAIL. The property distributed to MAIL included MAEL's remaining investments in CASA and BAISA. Consequently, MAT2 no longer holds beneficial interests in Copenhagen Airports and Brussels Airport.

During the prior year MAEL also issued 36,510,476 additional shares. MAT2 did not participate in this increase in share capital and at 31 December 2009 MAT2 holds a 25.1% interest in MAEL.

At 31 December 2009, the value of the MAT2 Group's investments in financial assets is $2,065.3 million (2008: $3,233.2 million), including minority interests. The value of these investments has been determined by discounted cash flow analyses in accordance with the valuation framework adopted by the directors and applying specified risk premia as outlined in Note 1(d). The investment valuation sensitivities to movements in the risk premia and revenue forecasts are disclosed in the table below.

MAT2 Consolidated	**2009 1% lower $ million**	**2009 1% higher $ million**	2008 1% lower $ million	2008 1% higher $ million
Change in valuation of investments due to movement in the risk premia				
Sydney Airport	**423.6**	**(371.4)**	330.7	(292.4)
	423.6	**(371.4)**	330.7	(292.4)
Change in the valuation of investments due to movement in revenue forecasts				
Sydney Airport	**(83.8)**	**83.2**	(52.2)	47.5
	(83.8)	**83.2**	(52.2)	47.5

Financial Report
for year ended 31 December 2009

10 Investments in Financial Assets (continued)

MAT1 Parent Entity	MAT1 31 Dec 2009 $'000	MAT1 31 Dec 2008 $'000
Sydney Airport		
Interests in unlisted securities in companies and trusts		
Investment in Southern Cross Airports Corporation Holdings Limited	**396,096**	1,015,553
Investment in MAp Airports Sydney Kingsford Smith No. 1 Pty Limited	**172,713**	238,825
Investment in MAp Airports (Sydney Holdings) Two Pty Limited	**155,929**	349,591
Investment in MAp Airports (Sydney Holdings) Pty Limited	**861,962**	862,642
Investment in MAp Airports Sydney Kingsford Smith No. 2 Pty Limited	**846,369**	-
Investment in MAp Airports Sydney Kingsford Smith No. 3 Pty Limited	**59,417**	-
Investment in MAp Airports Sydney Kingsford Smith No. 4 Pty Limited	**349,941**	-
	2,842,427	2,466,611
		-
MAp Airports Holdings Pty Limited ("MAHPL")		
Interests in unlisted securities in companies and trusts		
Investment in MAHPL	**37,236**	183,742
TICkETS Defeasance Trust ("TDT")		
Interests in unlisted securities in companies and trusts		
Investments in TDT	**48,007**	93,629
MAp Subtrust ("MAST")		
Interests in unlisted securities in companies and trusts		
Investment in MAST	**321**	323
Other investments		
Other investments	**944**	5,049
Total investments	**2,928,935**	2,749,354

At 31 December 2009, the value of MAT1's investments in financial assets is $2,928.9 million (2008: $2,749.4 million). The value of the equity investments which are unlisted has been determined by discounted cash flow analyses in accordance with the valuation framework adopted by the directors and applying specified risk premia as outlined in Note 1(d). The investment valuation sensitivities to movements in the risk premia and revenue forecasts are disclosed in the table below.

MAT1 Parent Entity	2009 1% lower $ million	2009 1% higher $ million	2008 1% lower $ million	2008 1% higher $ million
Change in valuation of investments due to movement in the risk premia				
Sydney Airport	**37.2**	**(32.7)**	103.3	(91.3)
Bristol Airport*	**-**	**-**	6.5	(5.6)
	37.2	**(32.7)**	109.8	(96.9)
Change in the valuation of investments due to movement in revenue forecasts				
Sydney Airport	**(7.4)**	**7.3**	(16.3)	14.8
Bristol Airport*	**-**	**-**	(1.1)	1.1
	(7.4)	**7.3**	(17.4)	15.9

* The investment in MAHPL is represented by the underlying investment in Bristol Airport.

Financial Report
for year ended 31 December 2009

10 Investments in Financial Assets (continued)

MAT2 Parent Entity	**MAT2 31 Dec 2009 $'000**	MAT2 31 Dec 2008 $'000
Sydney Airport		
Interest in unlisted securities in companies and trusts		
Investment in MAp Airports (Sydney Holdings) Pty Limited	**1,133,045**	1,335,204
Investment in MAp Airports Sydney Kingsford Smith No. 3 Pty Limited	**6,958**	-
Investment in MAT2 Holdings Pty Limited	**297**	-
Investment in MAEL	**374**	434
Total investments	**1,140,674**	1,335,638

At 31 December 2009, the value of MAT2's investments in financial assets is $1,140.7 million (2008: $1,335.6 million). The value of these investments has been determined by discounted cash flow analyses in accordance with the valuation framework adopted by the directors and applying specified risk premia as outlined in Note 1(d). The investment valuation sensitivities to movements in the risk premia and revenue forecasts are disclosed in the table below.

MAT2 Parent Entity	**2009 1% lower $ million**	**2009 1% higher $ million**	2008 1% lower $ million	2008 1% higher $ million
Change in valuation of investments due to movement in the risk premia				
Sydney Airport	**262.6**	**(230.2)**	227.1	(200.8)
	262.6	**(230.2)**	227.1	(200.8)
Change in the valuation of investments due to movement in revenue forecasts				
Sydney Airport	**(52.0)**	**51.6**	(35.8)	32.6
	(52.0)	**51.6**	(35.8)	32.6

11 Property, Plant and Equipment and Investment Property

On 5 November 2008, MAp lost control of Copenhagen Airports and Brussels Airport. AASB127: *Consolidated and Separate Financial Statements* requires the assets and liabilities of a subsidiary to be derecognised from the date control ceased. Accordingly, the property, plant and equipment of Copenhagen Airports and Brussels Airport were deconsolidated from the date MAp lost control.

MAp Consolidated	Land and buildings $'000	Plant and machinery $'000	Other fixtures and fittings, tools and equipment $'000	Property, plant and equipment under construction $'000	Total property, plant and equipment $'000
Net book amount at 1 January 2009	**793,628**	**1,258,747**	**52,903**	**352,288**	**2,457,566**
Additions	**-**	**-**	**-**	**305,473**	**305,473**
Disposals / Transfers	**311,648**	**171,606**	**36,738**	**(521,030)**	**(1,038)**
Depreciation	**(73,746)**	**(75,740)**	**(29,781)**	**-**	**(179,267)**
Net book amount at 31 December 2009	**1,031,530**	**1,354,613**	**59,860**	**136,731**	**2,582,734**
At 31 December 2009					
Cost	**1,280,394**	**1,703,062**	**132,465**	**136,731**	**3,252,652**
Accumulated depreciation	**(248,864)**	**(348,449)**	**(72,605)**	**-**	**(669,918)**
Net book amount at 31 December 2009	**1,031,530**	**1,354,613**	**59,860**	**136,731**	**2,582,734**
Net book amount at 1 January 2008	5,581,924	2,344,278	155,509	301,628	8,383,339
Additions	148,855	96,194	28,780	619,596	893,425
Disposals / Transfers	(52,816)	15,291	(9,173)	(222,127)	(268,825)
Disposals due to loss of control	(5,319,654)	(1,172,907)	(89,322)	(387,982)	(6,969,865)
Depreciation	(183,392)	(167,128)	(44,535)	-	(395,055)
Exchange differences	618,711	143,019	11,644	41,173	814,547
Net book amount at 31 December 2008	793,628	1,258,747	52,903	352,288	2,457,566
At 31 December 2008					
Cost	1,013,811	1,556,843	136,316	352,288	3,059,258
Accumulated depreciation	(220,183)	(298,096)	(83,413)	-	(601,692)
Net book amount at 31 December 2008	793,628	1,258,747	52,903	352,288	2,457,566

Investment property

MAp Consolidated	Total $'000
Net book amount at 1 January 2008	45,668
Additions	-
Disposals due to loss of control	(51,544)
Depreciation	-
Exchange differences	5,876
Net book amount at 31 December 2008	-
At 31 December 2008	
Cost	-
Accumulated depreciation	-
Net book amount at 31 December 2008	-

The investment property balances represent land that is held by Copenhagen Airports.

MAT1 parent entity, MAT2 parent entity and the MAT2 Group do not have any property, plant and equipment or investment property.

Financial Report
for year ended 31 December 2009

12 Intangible Assets

On 5 November 2008, MAp lost control of Copenhagen Airports and Brussels Airport. AASB127: *Consolidated and Separate Financial Statements* requires the assets and liabilities of a subsidiary to be derecognised from the date control ceased. Accordingly, the intangibles of Copenhagen Airports and Brussels Airport were deconsolidated from the date MAp lost control.

Consolidated	Technical Service Agreements $'000	Concession and Customer Contracts $'000	Computer Software $'000	Airport Operator Licence $'000	Leasehold Land* $'000	Goodwill $'000	Total $'000
Net book amount at 1 January 2009	**-**	**122,702**	**-**	**5,485,870**	**1,993,114**	**669,721**	**8,271,407**
Amortisation charge for the year	**-**	**(22,679)**	**-**	**(59,905)**	**(22,216)**	**-**	**(104,800)**
Net book amount at 31 December 2009	**-**	**100,023**	**-**	**5,425,965**	**1,970,898**	**669,721**	**8,166,607**
At 31 December 2009							
Cost		**169,813**	**-**	**5,705,216**	**2,115,906**	**669,721**	**8,660,656**
Accumulated amortisation		**(69,790)**	**-**	**(279,251)**	**(145,008)**	**-**	**(494,049)**
Net book amount at 31 December 2009		**100,023**	**-**	**5,425,965**	**1,970,898**	**669,721**	**8,166,607**
Net book amount at 1 January 2008	58,498	1,398,381	32,016	5,545,775	2,015,564	1,837,954	10,888,188
Additions	-	-	14,593	-	-	-	14,593
Disposals	-	-	(6,208)	-	-	-	(6,208)
Disposals due to loss of control	(66,005)	(1,268,436)	(37,662)	-	-	(1,333,216)	(2,705,319)
Amortisation charge for the year	(17)	(111,540)	(6,947)	(59,905)	(22,450)	-	(200,859)
Exchange differences	7,524	104,297	4,208	-	-	164,983	281,012
Net book amount at 31 December 2008	-	122,702	-	5,485,870	1,993,114	669,721	8,271,407
At 31 December 2008							
Cost	-	169,813	-	5,705,216	2,116,073	669,721	8,660,823
Accumulated amortisation	-	(47,111)	-	(219,346)	(122,959)	-	(389,416)
Net book amount at 31 December 2008	-	122,702	-	5,485,870	1,993,114	669,721	8,271,407

* Leasehold land represents the right to use the land in relation to Sydney Airport.

Impairment test for goodwill

Goodwill is allocated to MAp's cash-generating units (CGU's) identified as being the respective airports.

MAp Consolidated	31 Dec 2009 $'000	31 Dec 2008 $'000
Sydney Airport	**669,721**	669,721
Total Goodwill	**669,721**	669,721

The recoverable amount of a CGU is determined based on "fair value less cost to sell" by determining fair value using discounted cash flow analysis.

Financial Report
for year ended 31 December 2009

12 Intangible Assets (continued)

Key assumption used for fair value less cost to sell calculation

The key assumption used in the calculation to determine the fair value less cost to sell is the discount rate used in the discounted cash flow model. For Sydney Airport the discount rate used is 15.1% (refer Note 1(d)).

Discounted cash flow analysis is the methodology adopted by the directors to value MAp's airport investments. Valuations derived from the discounted cash flow analysis are periodically benchmarked to other sources such as independent valuations and recent market transactions to ensure that the discounted cash flow valuation is providing a reliable measure. The directors have adopted a policy of commissioning independent valuations of each of the assets on a periodic basis, no longer than three years.

Investment valuation sensitivity to an increase in the risk premium of 1% or a decrease in revenue forecasts of 1% would not result in an impairment of goodwill.

MAT1 parent entity, MAT2 parent entity and the MAT2 Group do not have any intangibles, therefore no tables have been presented.

13 Subsidiaries

MAT1's significant subsidiaries

Name of Entity	Country of Incorporation / Establishment	Class of Shares / units	Beneficial Ownership Interest	
			31 Dec 2009	31 Dec 2008
MAp Airports (Sydney Holdings) Pty Limited[1]	Australia	Ordinary shares Redeemable preference shares	**100.0%**	100.0%
Investment in MAp Airports (Sydney Holdings) Two Pty Limited	Australia	Ordinary shares Redeemable preference shares	**100.0%**	100.0%
Investment in MAp Airports Sydney Kingsford Smith No. 1 Pty Limited	Australia	Ordinary shares Redeemable preference shares	**100.0%**	100.0%
Investment in MAp Airports Sydney Kingsford Smith No. 2 Pty Limited	Australia	Ordinary shares Redeemable preference shares	**100.0%**	100.0%
Investment in MAp Airports Sydney Kingsford Smith No. 3 Pty Limited	Australia	Ordinary shares Redeemable preference shares	**100.0%**	-
Investment in MAp Airports Sydney Kingsford Smith No. 4 Pty Limited	Australia	Ordinary shares Redeemable preference shares	**100.0%**	-
Southern Cross Australian Airports Trust[2]	Australia	Ordinary units	**85.6%**	84.6%
Southern Cross Airports Corporation Holdings Limited	Australia	Ordinary shares	**74.0%**	72.1%
Sydney Airport Corporation Limited	Australia	Ordinary shares	**74.0%**	72.1%
Southern Cross Airports Corporation Pty Limited	Australia	Ordinary shares	**74.0%**	72.1%
International Infrastructure Holdings Limited	Bermuda	Ordinary shares and preference shares	**75.1%**	75.1%
TICkETS Defeasance Trust	Australia	Units	**100.0%**	100.0%

1 MAp Airports (Sydney Holdings) Pty Limited has been granted relief from the necessity to prepare financial reports by the Australian Securities & Investments Commission.

2 SCAAT issued additional units to MAp on 9 January 2009 and 27 March 2009.

MAT2 Group

Name of Entity	Country of Incorporation / Establishment	Class of Shares / units	Beneficial Ownership Interest	
			31 Dec 2009	31 Dec 2008
MAp Airports (Sydney Holdings) Pty Limited	Australia	Ordinary shares	**100.0%**	100.0%
Southern Cross Australian Airports Trust	Australia	Ordinary units	**53.5%**	68.7%
MAP Airports Sydney Kingsford Smith No. 2 Pty Limited	Australia	Ordinary shares	**100.0%**	-
MAP Airports Sydney Kingsford Smith No. 3 Pty Limited	Australia	Ordinary shares	**100.0%**	-

14 Investments in Associates

MAp Group's significant associates

Name of Associate	Beneficial Ownership Interest	
	31 Dec 2009	31 Dec 2008
Bristol Airport (Bermuda) Limited	**-**	70.9%
Copenhagen Airports S.a r.l.	**26.9%**	26.9%
Brussels Airport Investments S.a r.l.	**36.0%**	36.0%

In the prior year MAp sold 50.0% of its interest in CASA, the holding entity for the investment in Copenhagen Airports, and 42.0% of its interest BAISA, the holding entity for the Brussels Airport investment, to MEIF3. As a result of the divestment, MAp lost control of CASA and BAISA. As such, at 31 December 2009, MAp's holdings in Copenhagen Airports and Brussels Airport are classified as investments in associates and are accounted for at fair value through profit or loss.

On 16 September 2009, MAp announced that it had agreed to divest its 35.5% beneficial interest in Bristol Airport to Ontario Teachers' Pension Plan (OTPP) for GBP128 million ($232.5 million). The sale to OTPP was concluded on 21 December 2009 with an initial 34.5% of MAp's interest being transfered to OTPP and the parties entering into a put and a call option over the remaining 1% for an exercise price of GBP3.6 million ($6.5 million). The put option may be exercised by MAIL at any time during the six month period from the completion of the refinancing of the Bristol airport debt facility, the call option may be exercised by OTPP at any time during the six months commencing from the end of the put option. At 31 December 2009, the Company had a 2% interest in BABL. As the Company no longer has significant influence over BABL, BABL is no longer disclosed as an associate.

Unless stated otherwise, the proportion of voting power held in the associates disclosed above is in proportion to the direct ownership interest held.

The above associates are measured at fair value in accordance with AASB 139: *Financial Instruments: Recognition and Measurement*. Changes in fair value are recognised as income or expenses in the Income Statement in the financial year in which the changes occur. Refer also to Note 10.

MAT2 Group's significant associates

Name of Associate	Note	Beneficial Ownership Interest	
		31 Dec 2009	31 Dec 2008
Southern Cross Airports Corporation Holdings Limited	1	**47.3%**	42.8%
MAp Airports (Europe) Limited	2	**25.1%**	25.1%

1 On 13 January 2009 and 27 March 2009, SCACH issued additional stapled securities to its shareholders. MAT2 did not participate in the increase of capital. As such, MAT2's interest in SCACH decreased. On 16 February 2009 and 25 June 2009 MAT2 acquired MASKS2 and MASKS3 respectively, both these entities hold investments in SCACH increasing MAT2's interest to 47.3%

MAT2, through its interest in SCAAT, MASKS2 and MASKS3, holds a 47.3% beneficial interest in SCACH. The proportion of voting power held in SCACH is in proportion to the direct ownership interest held.

The consolidated entity, through SCAAT, MASKS2 and MASKS3, holds a 76.3% interest in SCACH and holds 73.8% of the voting rights in SCACH. However, SCACH has not been consolidated into the financial statements of MAT2, as the provisions of the SCACH shareholders' agreement require a 75% majority to pass significant resolutions by both the shareholders of SCACH and its board of directors. Consequently MAT2 does not have the capacity to control the operating and financial decisions of SCACH.

2 During the prior period, MAEL issued an additional 36,510,476 shares. All of the shares were issued to MAIL. As such, MAT2's direct interest in MAEL decreased and at 31 December 2009, MAT2 holds a 25.1% direct interest in MAEL.

Unless stated otherwise, the proportion of voting power held in the associates disclosed above is in proportion to the direct ownership interest held.

The above associates are measured at fair value in accordance with AASB 139: Financial Instruments: Recognition and Measurement. Changes in fair value are recognised as income or expenses in the Income Statement in the financial year in which the changes occur. Refer also to Note 10.

Financial Report
for year ended 31 December 2009

15 Payables

Consolidated	MAp 31 Dec 2009 $'000	MAp 31 Dec 2008 $'000	MAT2 31 Dec 2009 $'000	MAT2 31 Dec 2008 $'000
Current				
Responsible Entity and Adviser's base fees payable	**-**	6,291	**-**	1,321
Interest payable in relation to TICkETS	**-**	135	**-**	-
Interest payable on external debt	**66,461**	81,140	**-**	-
Interest payable on MASH redeemable preference shares	**-**	-	**20,176**	-
Interest payable on MASKS2 redeemable preference shares	**-**	-	**71,735**	-
Interest payable on MASKS3 redeemable preference shares	**-**	-	**2,695**	-
Distribution payable by SCAAT to minority interests	**-**	7	**-**	15
Trade payables	**50,466**	78,240	**147**	133
Employee entitlements	**9,421**	8,313	**1,196**	-
Payables relating to related parties	**-**	-	**2,801**	-
Land rich stamp duty liability (refer note 8)	**401,525**	481,535	**-**	-
Amounts payable under finance lease agreement	**2,224**	-	**-**	-
GST payable	**5,272**	-	**497**	-
Sundry creditors	**12,697**	13,303	**273**	749
	548,066	668,964	**99,520**	2,218
Non Current				
Lease payable	**5,756**	-	**-**	-
	5,756	-	**-**	-

The fair values of payables approximate their carrying values.

Parent Entity	MAT1 31 Dec 2009 $'000	MAT1 31 Dec 2008 $'000	MAT2 31 Dec 2009 $'000	MAT2 31 Dec 2008 $'000
Current				
Responsible Entity and Adviser's base fees payable	**-**	1,639	**-**	1,321
Payables to related parties	**94**	3,858	**597**	-
Interest payable in relation to TICkETS	**-**	135	**-**	-
Interest payable to related parties	**35,272**	-	**-**	-
GST payable	**-**	-	**17**	-
Sundry creditors	**247**	434	**244**	305
	35,613	6,066	**858**	1,626

The fair values of payables approximate their carrying values.

16 Financial Liabilities at Fair Value

Consolidated	MAp 31 Dec 2009 $'000	MAp 31 Dec 2008 $'000	MAT2 31 Dec 2009 $'000	MAT2 31 Dec 2008 $'000
Current				
IIHL preference shares held by minority interest	**-**	96,770	**-**	-
	-	96,770	**-**	-

The Consolidated Entity's investment in JAT was held through IIHL, which received funding through the issue of ordinary shares and preference shares. The preference shares entitled the holders to effectively all of the income of IIHL and had a term of 9 years, unless redeemed earlier in accordance with the bye laws of IIHL. Under the bye laws, the holders may at any time prior to the expiry term redeem the preference shares. Accordingly, the preference shares are classified as debt for accounting purposes. As the Company held a controlling interest in IIHL at 31 December 2008, the preference shares held by the Company were eliminated on consolidation of IIHL into the Consolidated Entity financial report for the prior year. The balance recognised at 31 December 2008 represented the fair value of the preference shares held by the minority interest in IIHL as at that date. Refer Note 1(n). Following the sale of JAT and the distribution of sale proceeds IIHL bought back all outstanding preference shares.

MAT1 and MAT2 parent entities do not have any liabilities carried at fair value, therefore no tables have been presented.

17 Interest Bearing Liabilities

Consolidated	Note	MAp 31 Dec 2009 $'000	MAp 31 Dec 2008 $'000	MAT2 31 Dec 2009 $'000	MAT2 31 Dec 2008 $'000
Current					
Loans from MAREST	1	**-**	749,191	**-**	-
Sydney Airport					
Bank facilities	2	**-**	449,533	**-**	-
Medium term notes	3	**-**	418,133	**-**	-
		-	1,616,857	**-**	-
Non Current					
Redeemable Preference Shares issued by MASH	4	**-**	-	**861,962**	862,641
Redeemable Preference Shares issued by MASKS2	5	**-**	-	**846,369**	-
Redeemable Preference Shares issued by MASKS3	6	**-**	-	**59,413**	-
Loans from MAT1				**78,546**	
Loans from MASKS1		**-**	-	**-**	105,438
Sydney Airport				**-**	
Bank facilities	2	**739,221**	735,630	**-**	-
Capital Index Bonds	7	**893,017**	867,736	**-**	-
Medium term notes	3	**3,445,889**	3,437,262	**-**	-
SCACH Redeemable Preference Shares	8	**364,541**	281,369	**-**	-
SKIES	9	**664,018**	666,640	**-**	-
		6,106,686	5,988,637	**1,846,290**	968,079

1 On 29 December 2009, MAp repaid the entire balance outstanding on the FOLA and OLA to fund the redemption of TICkETS on 31 December 2009.

2 Sydney Airport has entered into a series of bank facilities secured by fixed and floating charges over the assets and undertakings of the SCACH group and a mortgage over the Airport lease. Interest is charged at BBSY plus a predetermined margin. The weighted average effective interest rate on the loans was 6.1% with maturities ranging between 1 and 5 years. At the balance sheet date, Sydney Airport has an undrawn balance on these facilities of $572 million.

3 Sydney Airport has issued a mixture of fixed and floating interest rate Medium Term Notes ("MTN") with maturities ranging from 1 to 19 years. The MTN are secured by fixed and floating charges over assets and undertakings of SCACH and its subsidiaries ("SCACH Group") and a mortgage over the Airport lease. Financial guarantees in respect of the notes are provided by MBIA Insurance Corporation and Ambac Assurance Corporation. At 31 December 2009 the weighted average effective interest rate on the MTN was 5.3%.

17 Interest Bearing Liabilities (continued)

4 The redeemable preference shares ("RPS") represent 871.9 million RPS issued by MASH to MAT1. The MASH RPS are measured at amortised cost and interest expense is recognised under the effective interest method.

The shares are redeemable at $1 per share on the date 30 years after the issue date of the shares, provided that any redemption is effected in accordance with the Corporations Act 2001. The holders of the RPS have the right to receive a fixed cumulative dividend at a contractual rate of 15.0% per annum on the capital paid up and any unpaid dividends per share, subject to available cash. The dividend is payable quarterly in arrears. On distribution of capital on a winding up of MASH, holders of RPS shall be entitled to the repayment of capital paid up on the shares, in priority to any repayment to the ordinary shareholders of MASH. The effective interest rate on the MASH RPS is 15.2% per annum.

5 The RPS represent 846.4 million RPS issued by MASKS2 to MAT1. The MASKS2 RPS are measured at amortised cost and interest expense is recognised under the effective interest method.

The shares are redeemable at $1 per share on the date 40 years after the issue date of the shares, provided that any redemption is effected in accordance with the Corporations Act 2001. The holders of the RPS have the right to receive a fixed cumulative dividend at a contractual rate of 15.0% per annum on the capital paid up and any unpaid dividends per share, subject to available cash. The dividend is payable quarterly in arrears. On distribution of capital on a winding up of MASKS2, holders of RPS shall be entitled to the repayment of capital paid up on the shares, in priority to any repayment to the ordinary shareholders of MASKS2. The effective interest rate on the MASKS2 RPS is 15.0% per annum.

6 The RPS represent 59.3 million RPS issued by MASKS3 to MAT1. The MASKS3 RPS are measured at amortised cost and interest expense is recognised under the effective interest method.

The shares are redeemable at $1 per share on the date 40 years after the issue date of the shares, provided that any redemption is effected in accordance with the Corporations Act 2001. The holders of the RPS have the right to receive a fixed cumulative dividend at a contractual rate of 15.0% per annum on the capital paid up and any unpaid dividends per share, subject to available cash. The dividend is payable quarterly in arrears. On distribution of capital on a winding up of MASKS3, holders of RPS shall be entitled to the repayment of capital paid up on the shares, in priority to any repayment to the ordinary shareholders of MASKS3. The effective interest rate on the MASKS3 RPS is 14.9% per annum.

7 Sydney Airport as at 31 December 2009 has issued two issues of Capital Index Bonds ("CIB"). The bond principal for both issues increases through to maturity by the Consumer Price Index ("CPI"). Both issues of CIB pay a fixed interest rate that is calculated on the increasing bond principal. CIB are secured by fixed and floating charges over assets and undertakings of SCACH Group and a mortgage over the Airport lease. A financial guarantee in respect of the bonds is provided by MBIA Insurance Corporation. The current weighted effective interest rate on the CIB is 3.5%.

8 As at balance date Sydney Airport has on issue 13,648,394 RPS, with each RPS stapled to one ordinary share of SCACH. At 31 December 2009 MAp holds 11,317,875 RPS which are eliminated on consolidation. The RPS carry an entitlement to a fixed cumulative dividend at a rate of 13.5% per annum, payable quarterly dependent on available cash within the SCACH Group. The RPS are redeemable at a premium of $50 on 28 June 2032.

9 At 31 December 2009 Sydney Airport has 6.5 million Sydney Kingsford Smith Interest Earning Securities ("SKIES") on issue. SKIES are a subordinated, unsecured note listed on the Australian Securities Exchange ("ASX"). The notes have a 10 year maturity from issue date 21 December 2006 and pay interest quarterly, at a margin of 180 basis points over BBSW. At 31 December 2009 the effective interest rate of SKIES was 6.6%.

Financial Report
for year ended 31 December 2009

17 Interest Bearing Liabilities (continued)

Parent Entity	Note	**MAT1 31 Dec 2009 $'000**	MAT1 31 Dec 2008 $'000	**MAT2 31 Dec 2009 $'000**	MAT2 31 Dec 2008 $'000
Current					
Loan from MAREST	1	**-**	749,191	**-**	-
Loans from MAT2		**-**	19,929	**-**	-
		-	769,120	**-**	-
Non Current					
Loans from MASKS2	2	**832,300**	-	**-**	-
Loan from TDT	3	**800,476**	-	**-**	-
Loans from MAT2		**-**	433,013	**-**	-
Loans from MAT1		**-**	-	**78,546**	-
		1,632,776	433,013	**78,546**	-

1 On 20 December 2004, MAp entered into the First On Lending Agreement ("FOLA") with MAREST (formerly Macquarie Airports Reset Exchange Securities Trust). The FOLA represents the on-lending by MAREST of funds raised through the issue of 4.65 million Tradeable Interest-bearing Convertible to Equity Trust Securities ("TICkETS").

Under the FOLA, MAp borrowed $465.0 million from MAREST to fund a portion of the initial Brussels Airport acquisition. Transaction costs of $13.6 million were incurred in connection with the FOLA. Contractual interest accrued on the FOLA at a contractual rate of 6.475% per annum and was payable six monthly in arrears. The interest rate would have been reset on 1 January 2010. The FOLA had a term of 10 years.

On 18 September 2008 MAT1 repaid $146.4 million of the principal outstanding under the FOLA to fund the partial withdrawal of TICkETS.

On 31 August 2006, MAp entered into the On Lending Agreement ("OLA") with MAREST. The OLA represents the on-lending by MAREST of funds raised through the issue of 4.42 million TICkETS at $100.50 per TICkETS. Funds received from the OLA totalled $439.2 million. Contractual interest accrued on the FOLA at a contractual rate of 6.5151% per annum and was payable six monthly in arrears. The interest rate would have been reset on 1 January 2010. The OLA repayment date was 20 December 2014.

The FOLA and the OLA were measured at amortised cost and were recognised net of transaction costs. The difference between the proceeds received (net of transaction costs) and the redemption amount was recognised in the Income Statement over the period of the FOLA and the OLA term using the effective interest method. The effective interest rates on the FOLA and on the OLA were 7.2%.

On 29 December 2009, MAp repaid the entire balance outstanding on the FOLA and OLA to fund the redemption of TICkETS on 31 December 2009.

2 At 31 December 2009 MAT1 has loans from MASKS2 of $832.3 million outstanding. The loans bear interest of BBSY plus 100 basis points.

3 At 31 December 2009 MAT1 has a loan payable to TDT for $800.5 million. The loan was used to repay the outstanding borrowings from MAREST outlined above. The loan bears interest of BBR plus 180 basis points.

Financial Report
for year ended 31 December 2009

17 Interest Bearing Liabilities (continued)

MAp Consolidated	Maturity date of interest bearing liability 1 year or less '000	1 to 2 years '000	2 to 3 years '000	3 to 4 years '000	4 to 5 years '000	Greater than 5 years '000	Capitalised costs '000	Total '000
2009								
Sydney Airport								
Bank facilities	**-**	**748,705**	**-**	**-**	**-**	**-**	**(9,484)**	**739,221**
Capital index bonds	**-**	**-**	**-**	**-**	**-**	**950,488**	**(57,471)**	**893,017**
Medium term notes	**-**	**400,000**	**280,000**	**217,000**	**700,000**	**1,909,000**	**(60,111)**	**3,445,889**
SCACH redeemable preference shares	**-**	**-**	**-**	**-**	**-**	**373,357**	**(8,816)**	**364,541**
SKIES	**-**	**-**	**-**	**-**	**-**	**650,000**	**14,018**	**664,018**
Total	**-**	**1,148,705**	**280,000**	**217,000**	**700,000**	**3,882,845**	**(121,864)**	**6,106,686**
2008								
Loans from MAp Airports Reset Exchange Securities Trust	757,802	-	-	-	-	-	(8,611)	749,191
Sydney Airport								
Bank facilities	450,000	-	748,705	-	-	-	(13,542)	1,185,163
Capital index bonds	-	-	-	-	-	908,660	(40,924)	867,736
Medium term notes	420,000	-	400,000	280,000	217,000	2,609,000	(70,605)	3,855,395
SCACH redeemable preference shares	-	-	-	-	-	290,901	(9,532)	281,369
SKIES	-	-	-	-	-	683,481	(16,841)	666,640
Total	1,627,802	-	1,148,705	280,000	217,000	4,492,042	(160,055)	7,605,494

MAp Consolidated	Floating interest rate $'000	Fixed Interest Rate (Term) 1 year or less '000	1 to 2 years '000	2 to 3 years '000	3 to 4 years '000	4 to 5 years '000	Greater than 5 years '000	Total '000	Weighted average rate
2009									
Sydney Airport	**4,561,443**	**-**	**247,684**	**-**	**-**	**40,000**	**1,257,559**	**6,106,686**	**5.72%**
Total	**4,561,443**	**-**	**247,684**	**-**	**-**	**40,000**	**1,257,559**	**6,106,686**	
Derivatives (Notional balances)									
Sydney	**(3,925,104)**	**-**	**764,298**	**236,513**	**184,881**	**560,330**	**2,179,082**	**-**	
Total	**(3,925,104)**	**-**	**764,298**	**236,513**	**184,881**	**560,330**	**2,179,082**	**-**	
Net exposure	**636,339**	**-**	**1,011,982**	**236,513**	**184,881**	**600,330**	**3,436,641**	**6,106,686**	
2008									
Loans from MAREST	-	749,191	-	-	-	-	-	749,191	6.48%
Sydney Airport	5,420,622	-	-	246,576	-	-	1,189,105	6,856,303	4.37%
Total	5,420,622	749,191	-	246,576	-	-	1,189,105	7,605,494	
Derivatives (Notional balances)									
Sydney	(5,268,105)	843,254	-	859,233	265,470	208,322	3,091,826	-	
Total	(5,268,105)	843,254	-	859,233	265,470	208,322	3,091,826	-	
Net exposure	152,517	1,592,445	-	1,015,809	265,470	208,322	4,280,931	7,605,494	

Sydney Airport has entered into interest rate and cross currency swaps to manage the interest rate risk on the floating rate interest bearing liabilities. Details of these derivative contracts can be found in Note 9 and details of the risk management for the Group can be found in Note 28.

17 Interest Bearing Liabilities (continued)

MAT2 Consolidated	Balance $'000	Weighted contractual average interest rate %
2009		
Fixed	**1,846,290**	**15.00%**
2008		
Fixed	968,079	13.96%

All fixed interest bearing liabilities in the year have a term of greater than five years.

MAT1 Parent Entity	Balance $'000	Weighted contractual average interest rate %
2009		
Floating	**1,632,776**	**5.48%**
2008		
Floating	452,942	4.26%
Fixed	749,191	6.48%

All fixed interest bearing liabilities in the prior year were repayable within the next 12 months.

MAp Consolidated	Undrawn balance MAp 31 Dec 2009 $'000	Undrawn balance MAp 31 Dec 2008 $'000
Medium term notes	**-**	-
Bank facilities	**375,000**	375,000
Working capital facility	**86,000**	86,000
Liquidity facility	**111,000**	111,000
	572,000	572,000

MAT2 Group and MAT2 parent did not have undrawn facilities available at 31 December 2009 (2008: nil).

MAT1 parent had $282.4 million undrawn facilities available at 31 December 2009 (2008: $830.6 million).

Assets pledged as security

Sydney Airport has secured the assets of the airport and its undertakings of the consolidated entity excluding deferred tax and goodwill, and a mortgage over the airport lease.

Financial Report
for year ended 31 December 2009

18 Tax Assets and Tax Liabilities

Consolidated	MAp 31 Dec 2009 $'000	MAp 31 Dec 2008 $'000	MAT2 31 Dec 2009 $'000	MAT2 31 Dec 2008 $'000
Current assets				
Income tax receivable	**1,871**	-	**1,871**	-
Movements in deferred tax assets:				
Opening balance at 1 January	**-**	12,960	**-**	-
Transfer to deferred tax assets	**-**	(12,960)	**-**	-
Closing balance at 31 December	**-**	-	**-**	-
Current liabilities				
Provision for income tax	**1,241**	11,184	**184**	8,217
Non-current liabilities				
Provision for deferred tax liabilities	**1,937,545**	2,021,174	**368,315**	503,044
The balance of the provision for deferred tax liabilities comprises temporary differences attributable to:				
Amounts recognised in profit or loss				
Prepayments	**2,731**	(473)	**-**	-
Property, plant and equipment	**281,478**	297,567	**-**	-
Intangibles	**2,168,743**	2,178,351	**-**	-
Trade receivables	**698**	1,280	**698**	1,280
Financial assets at fair value through profit or loss	**-**	-	**428,910**	499,083
Interest bearing liabilities	**(12,916)**	(1,643)	**-**	-
Other payables	**(6,902)**	(9,718)	**(437)**	(40)
Finance cost payable	**(20,967)**	10,062	**(25,428)**	2,777
Deferred costs	**(35,397)**	-	**(35,397)**	-
Accrued revenue	**8,518**	7,543	**-**	-
Tax losses	**(426,659)**	(373,109)	**-**	-
	1,959,327	2,109,860	**368,346**	503,100
Amounts recognised directly in equity				
Cash flow hedges	**(21,533)**	(88,630)	**-**	-
Establishment costs	**(249)**	(56)	**(31)**	(56)
	(21,782)	(88,686)	**(31)**	(56)
Net deferred tax liabilities	**1,937,545**	2,021,174	**368,315**	503,044
Movements in deferred tax liabilities:				
Opening balance at 1 January	**2,021,174**	3,613,482	**503,044**	669,192
Credited to the income statement	**(150,527)**	(153,686)	**(134,754)**	(166,161)
Debited to equity	**66,898**	(183,093)	**25**	13
Deconsolidation of subsidiaries	**-**	(1,418,918)	**-**	-
Transfer from deferred tax assets	**-**	(12,960)	**-**	-
Foreign exchange movements	**-**	176,349	**-**	-
Closing balance at 31 December	**1,937,545**	2,021,174	**368,315**	503,044

Financial Report
for year ended 31 December 2009

18 Tax Assets and Tax Liabilities (continued)

Parent Entity	MAT1 31 Dec 2009 $'000	MAT1 31 Dec 2008 $'000	MAT2 31 Dec 2009 $'000	MAT2 31 Dec 2008 $'000
Current assets				
Income tax receivable	-	-	1,871	-
	-	-	1,871	-
Current liabilities				
Provision for income tax	-	-	-	8,217
	-	-	-	8,217
Non-current				
Provision for deferred income tax	-	-	329,151	392,303
The balance of the provision for deferred income tax comprises temporary differences attributable to:				
Amounts recognised in profit or loss				
Financial assets at fair value through profit or loss	-	-	329,182	392,359
	-	-	329,182	392,359
Amounts recognised directly in equity				
Establishment costs	-	-	(31)	(56)
	-	-	(31)	(56)
Net deferred tax liabilities	-	-	329,151	392,303
Movements in deferred tax liabilities:				
Opening balance at 1 January	-	-	392,303	497,688
Credited to the income statement	-	-	(63,177)	(105,398)
Debited to equity	-	-	25	13
Closing balance at 31 December	-	-	329,151	392,303

Financial Report
for year ended 31 December 2009

19 Contributed Equity

Consolidated	MAp 31 Dec 2009 $'000	MAp 31 Dec 2008 $'000	MAT2 31 Dec 2009 $'000	MAT2 31 Dec 2008 $'000
On issue at the beginning of the year	**3,610,110**	3,619,852	**227,704**	229,840
Costs incurred in the raising of capital	**(480)**	-	**(112)**	-
Tax effect of costs incurred in the raising of capital	**(25)**	(13)	**(25)**	(13)
Issued pursuant to entitlement offer on 6 November 2009	**356,697**	-	**68,000**	-
Cancelled pursuant to security buyback 1 January 2009 to 23 February 2009	**(17,642)**	-	**(4,067)**	-
Cancelled pursuant to security buyback 27 November 2008 to 31 December 2008	**-**	(9,729)	**-**	(2,123)
On issue at the end of the year	**3,948,660**	3,610,110	**291,500**	227,704

Parent Entity	MAT1 31 Dec 2009 $'000	MAT1 31 Dec 2008 $'000	MAT2 31 Dec 2009 $'000	MAT2 31 Dec 2008 $'000
On issue at the beginning of the year	**2,231,915**	2,234,147	**227,704**	229,840
Costs incurred in the raising of capital	**(130)**	-	**(112)**	-
Tax effect of costs incurred in the raising of capital	**-**	-	**(25)**	(13)
Issued pursuant to entitlement offer on 6 November 2009	**86,990**	-	**68,000**	-
Cancelled pursuant to security buyback 1 January 2009 to 23 February 2009	**(3,651)**	-	**(4,067)**	-
Cancelled pursuant to security buyback 27 November 2008 to 31 December 2008	**-**	(2,232)	**-**	(2,123)
On issue at the end of the year	**2,315,124**	2,231,915	**291,500**	227,704

Consolidated and Parent Entity	MAT1 2009 Number of stapled securities/ units '000	MAT1 2008 Number of stapled securities/ units '000	MAT2 2009 Number of units '000	MAT2 2008 Number of units '000
On issue at the beginning of the year	**1,713,636**	1,718,654	**1,713,636**	1,718,654
Issued pursuant to entitlement offer on 6 November 2009	**155,086**	-	**155,086**	-
Cancelled pursuant to security buyback 1 January 2009 to 23 February 2009	**(7,511)**	-	**(7,511)**	-
Cancelled pursuant to security buyback 27 November 2008 to 31 December 2008	**-**	(5,018)	**-**	(5,018)
On issue at the end of the year	**1,861,211**	1,713,636	**1,861,211**	1,713,636

Ordinary units in MAT1 and MAT2 and ordinary shares in MAIL

Each fully paid stapled security confers the right to vote at meetings of security holders, subject to any voting restrictions imposed on a security holder under the Australian Corporations Act 2001, Bermudian Companies Act and the Australian Securities Exchange Listing Rules. On a show of hands, every security holder present in person or by proxy has one vote. On a poll, every security holder who is present in person or by proxy has one vote for each dollar of the value of the total interests they have in MAT1 and MAT2 and one vote for each fully paid share in respect of MAIL.

While MAT2 is taxed as a company, it need not distribute all of its taxable income to security holders. Unless the Responsible Entity determines otherwise, a security on issue in MAT1 at the end of an income period entitles its holder to a pro-rata proportion of the net income of the Trust in respect of that income period. The Responsible Entity determines the net income of the Trusts as at the end of each financial year. The directors of MAIL may declare dividends which appear justified by the financial position of MAIL. The entitlement to income of each fully paid stapled security will be distributed to the investor within two months of the last day of the income period.

Upon the winding up of a Trust, the Responsible Entity is required to realise the assets of the Trust and after meeting liabilities of the Trust, to distribute the net proceeds to the security holders pro-rata according to the number of securities held on the date upon which the Trust commenced to be wound up. If MAIL is wound up, the liquidator may, with the sanction of an extraordinary resolution and any other requirement of law, divide among the members in specie the whole or any part of the assets of MAIL.

Financial Report
for year ended 31 December 2009

19 Contributed Equity (continued)

Buyback of MAp securities

On 20 August 2008, the boards and management of MAp announced that it was in the best interest of MAp security holders to commence a buyback of MAp stapled securities, utilising existing unsecured cash reserves.

On 17 October 2008, MAp sought security holder approval at a Special General Meeting for an on-market buyback of ordinary stapled securities utilising existing unsecured cash reserves following the TICkETS defeasance. From 27 November 2008 to 31 December 2008, 5.0 million stapled securities were bought back for consideration of $9.7 million.

Approval was granted and the on-market buyback commenced on 27 November 2008. From 27 November 2008 to 31 December 2008, 5.0 million stapled securities were bought back for consideration of $9.7 million.

MAp continued with on market buybacks from 1 January 2009 to 23 February 2009, 7.5 million stapled securities were bought back for consideration of $17.6 million.

Entitlement Offer

On 28 August 2009, MAp announced that to replenish cash reserves post the funding of the internalisation fee of $345.0 million it would undertake a 1 for 11 non-renounceable pro-rata entitlement offer at $2.30 per stapled security. As a result of the entitlement offer an additional 155.1 million stapled securities in MAp were issued on 6 November and a total of $356.7 million in additional capital was raised.

20 Retained Profits

Consolidated	**MAp 31 Dec 2009 $'000**	MAp 31 Dec 2008 $'000	**MAT2 31 Dec 2009 $'000**	MAT2 31 Dec 2008 $'000
Balance at the beginning of the year	**2,643,495**	572,138	**1,637,612**	1,800,626
Adjustment on acquisition of a subsidiary	**-**	-	**-**	-
Profit attributable to security holders / unitholders	**(572,696)**	2,070,451	**(194,864)**	(163,014)
Transfer from capital reserve	**104,283**	464,240	**-**	-
Distributions provided for or paid	**(370,693)**	(463,334)	**-**	-
Balance at the end of the year	**1,804,389**	2,643,495	**1,442,748**	1,637,612

Parent Entity	**MAT1 31 Dec 2009 $'000**	MAT1 31 Dec 2008 $'000	**MAT2 31 Dec 2009 $'000**	MAT2 31 Dec 2008 $'000
Balance at the beginning of the year	**-**	-	**1,583,409**	1,765,629
Profit attributable to unitholders	**285,670**	(906)	**(278,313)**	(182,220)
Transfer from capital reserve	**104,283**	464,240	**-**	-
Distributions provided for or paid	**(221,796)**	(463,334)	**-**	-
Balance at the end of the year	**168,157**	-	**1,305,096**	1,583,409

Financial Report
for year ended 31 December 2009

21 Reserves

Consolidated	MAp 31 Dec 2009 $'000	MAp 31 Dec 2008 $'000	MAT2 31 Dec 2009 $'000	MAT2 31 Dec 2008 $'000
Balance of reserves				
Capital reserve	**(713,165)**	(608,882)	**-**	-
Hedging reserve - cash flow hedges	**(34,178)**	(151,819)	**-**	-
Foreign currency translation reserve	**89,835**	216,203	**-**	-
Other reserve	**388,049**	484,205	**(99,808)**	(6,898)
	(269,459)	(60,293)	**(99,808)**	(6,898)
Movements of reserves				
Capital reserves				
Balance at the beginning of the year	**(608,882)**	(144,642)	**-**	-
Transfers to retained profits	**(104,283)**	(464,240)	**-**	-
Balance at the end of the year	**(713,165)**	(608,882)	**-**	-
Hedging reserve – cash flow hedges				
Balance at the beginning of the year	**(151,819)**	101,382	**-**	-
Revaluation – gross	**168,059**	(412,466)	**-**	-
Tax effect	**(50,418)**	123,740	**-**	-
Deconsolidation of subsidiaries	**-**	35,525	**-**	-
Balance at the end of the year	**(34,178)**	(151,819)	**-**	-
Foreign currency translation reserve				
Balance at the beginning of the year	**216,203**	35,150	**-**	-
Deconsolidation of subsidiaries	**-**	(163,478)	**-**	-
Net exchange differences on translation of foreign controlled entities	**(126,368)**	344,531	**-**	-
Balance at the end of the year	**89,835**	216,203	**-**	-
Other reserve				
Balance at the beginning of the year	**484,205**	481,792	**(6,898)**	2,604
Acquisition of additional interest in subsidiary	**(96,156)**	2,413	**(92,910)**	(9,502)
Balance at the end of the year	**388,049**	484,205	**(99,808)**	(6,898)

Parent Entity	MAT1 31 Dec 2009 $'000	MAT1 31 Dec 2008 $'000	MAT2 31 Dec 2009 $'000	MAT2 31 Dec 2008 $'000
Balance of reserves				
Capital reserve	**(713,164)**	(608,881)	**-**	-
	(713,164)	(608,881)	**-**	-
Movements of reserves				
Capital reserves				
Balance at the beginning of the year	**(608,881)**	(144,641)	**-**	-
Transfers to retained profits	**(104,283)**	(464,240)	**-**	-
Balance at the end of the year	**(713,164)**	(608,881)	**-**	-

Nature and purpose of reserves

Capital reserve

The capital reserve represents the amounts transferred to the retained profit to allow distributions from the Trusts to be made in accordance with the Trust Constitutions.

Hedging reserve – cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in Note 1(w). Amounts are recognised in profit or loss when the associated hedged transaction affects profit or loss.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in Note 1(w).

Other reserve

The other reserve represents transactions between equity holders and other reserves on business combination.

22 Minority Interest in Controlled Entities

Consolidated	**MAp 31 Dec 2009 $'000**	MAp 31 Dec 2008 $'000	**MAT2 31 Dec 2009 $'000**	MAT2 31 Dec 2008 $'000
Interest in:				
Share capital	**648,772**	449,202	**1,011,250**	460,059
Reserves	**352,656**	342,046	**(7,065)**	(4,760)
Retained profits	**(440,495)**	(432,148)	**497,155**	368,078
	560,933	359,100	**1,501,340**	823,377

MAp

As MAp holds a controlling interest in SCAAT, IIHL and Sydney Airport, (refer Note 13) it must consolidate 100% of the assets, liabilities and results of these entities into its financial report for the year ended 31 December 2009 and disclose a minority interest.

At 31 December 2009, MAp holds a direct interest in SCAAT of 85.7%. Accordingly, 14.3% of the contributed equity, reserves and undistributed operating surplus of SCAAT are shown as minority interest in the MAp financial report as at 31 December 2009.

At 31 December 2009, MAp holds a direct interest in IIHL of 75.1%. Accordingly, 24.9% of the contributed equity, reserves and retained profit of IIHL are shown as minority interest in the MAp financial report as at 31 December 2009.

At 31 December 2009, MAp holds a direct interest in Sydney Airport of 74.0%. Accordingly, 26.0% of the contributed equity, reserves and pre-acquisition retained profit of Sydney Airport are shown as minority interest in the MAp financial report as at 31 December 2009.

MAT2 Group

At 31 December 2009, MAT2 holds a controlling interest in SCAAT (refer Note 13) it must consolidate 100% of the assets, liabilities and results of SCAAT into its financial report for the year ended 31 December 2009 and disclose a minority interest. At 31 December 2009 MAT2 holds a direct interest in SCAAT of 53.5%. Accordingly, 46.5% of the contributed equity, reserves and retained profits of SCAAT is shown as a minority interest in the MAT2 financial report as at 31 December 2009.

23 Earnings per Stapled Security / Unit

Consolidated	**MAp 31 Dec 2009**	MAp 31 Dec 2008	**MAT2 31 Dec 2009**	MAT2 31 Dec 2008
Basic earnings per stapled security / unit	**(33.11)c**	120.50c	**(11.27)c**	(9.49)c
Diluted earnings per stapled security / unit	**(33.11)c**	99.37c	**(11.27)c**	(9.49)c
Basic earnings per stapled security / unit				
Profit/(loss) from continuing operations after income tax expense	**($615,077,072)**	$2,239,561,564	**($232,292,025)**	($222,869,831)
Minority interest	**$42,380,982**	($169,110,122)	**$37,428,473**	$59,855,583
Earnings used in calculation of basic earnings per stapled security / unit	**($572,696,090)**	$2,070,451,442	**($194,863,552)**	($163,014,248)
Diluted earnings per stapled security / unit				
Earnings used in calculation of basic earnings per stapled security / unit	**($572,696,090)**	$2,070,451,442	**($194,863,552)**	($163,014,248)
Interest expense savings on loans from MAREST	**$57,715,536**	$59,394,300	**-**	-
Interest income reduction on investment in TDT	**($36,251,183)**	($4,562,906)	**-**	-
Earnings used in calculation of diluted earnings per stapled security / unit	**($551,231,737)**	$2,125,282,836	**($194,863,552)**	($163,014,248)
Weighted average number of securities / units on issue				
Weighted average number of ordinary securities / units used in calculation of basic earnings per stapled security	**1,729,714,778**	1,718,254,532	**1,729,714,778**	1,718,254,532
Conversion of TICkETS	**283,898,501**	420,489,778	**283,898,501**	420,489,778
Weighted average number of ordinary securities / units used in calculation of diluted earnings per stapled security	**2,013,613,279**	2,138,744,310	**2,013,613,279**	2,138,744,310

Financial Report
for year ended 31 December 2009

24 Cash Flow Information

Consolidated	MAp 31 Dec 2009 $'000	MAp 31 Dec 2008 $'000	MAT2 31 Dec 2009 $'000	MAT2 31 Dec 2008 $'000
Reconciliation of profit from continuing operations after income tax expense from operating activities				
(Loss) / profit from continuing operations after income tax benefit / (expense)	**(615,077)**	2,239,562	**(232,293)**	(222,870)
Revaluation of investments	**397,862**	(978,615)	**6,173**	249,940
Revaluation of investments following receipt of cash	**61,383**	25,218	**228,760**	1,142,947
Expenses relating to investing activities	**2,914**	3,373	**-**	4
Expenses relating to financing activities	**626,047**	794,573	**248,350**	135,147
(Net gain) / loss on derivative contracts	**(67,506)**	14,727	**-**	-
Net foreign exchange differences	**(16,743)**	33,332	**(2)**	-
Depreciation and amortisation	**284,067**	595,914	**-**	-
Net gain on deconsolidation of subsidiaries	**-**	(1,404,311)	**-**	-
Gain on redemption of IIHL preference shares	**(76,979)**	-	**-**	-
Changes in operating assets and liabilities net of effects of deconsolidation/acquisition of controlled entities:				
(Increase) / decrease in receivables	**44,914**	(288,885)	**(47,317)**	(2,552)
Decrease / (increase)in prepayments	**(28,220)**	7,261	**(203)**	2
Increase / (decrease) in payables	**(126,256)**	321,211	**1,670**	(2,614)
Decrease in tax liabilities	**(95,442)**	(212,413)	**(144,633)**	(157,918)
Net cash inflow from operating activities	**390,964**	1,150,947	**60,505**	1,142,086
Reconciliation of cash and cash equivalents				
Cash and cash equivalents at the end of the year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:				
Cash and cash equivalents	**1,459,641**	2,313,985	**60,283**	470,348

Parent Entity	MAT1 31 Dec 2009 $'000	MAT1 31 Dec 2008 $'000	MAT2 31 Dec 2009 $'000	MAT2 31 Dec 2008 $'000
Reconciliation of profit from continuing operations after income tax expense from operating activities				
(Loss) / profit from continuing operations after income tax benefit / (expense)	**285,670**	(906)	**(278,313)**	(182,220)
Revaluation of investments	**(68,231)**	88,249	**204,267**	279,633
Revaluation of investments following receipt of cash	**47,118**	151,080	**(5,332)**	852,435
Expenses relating to investing activities	**1,865**	-	**-**	4
Expenses relating to financing activities	**137,215**	63,903	**597**	1,712
Deferred tax liability booked directly to equity	**-**	-	**(25)**	(13)
Withholding tax	**-**	-	**-**	(119)
Changes in operating assets and liabilities net of effects of acquisition of controlled entities:				
Decrease/(increase) in receivables	**(129,938)**	45,568	**146,750**	(1,383)
Decrease/(increase) in prepayments	**(182)**	1	**(943)**	2
Decrease in payables	**(1,867)**	(3,321)	**(1,365)**	(3,149)
Decrease in tax liabilities	**-**	-	**(82,388)**	(100,289)
Net cash inflow / (outflow) from operating activities	**271,650**	344,574	**(16,752)**	846,613
Reconciliation of cash and cash equivalents				
Cash and cash equivalents at the end of the year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:				
Cash and cash equivalents	**299,218**	310,946	**2,563**	418,358

Financial Report
for year ended 31 December 2009

24 Cash Flow Information (continued)

Non-cash financing and investing activities

MAp

There were no non-cash transactions at the MAp level.

MAT1 Parent Entity

The following transactions are not reflected in the Cash Flow Statements as the funds were paid directly under letters of direction:

On 13 January 2009, MAT1 Parent purchased 130,858 SCACH stapled securities partly via a non-cash loan repayment by SCACH of $38,962,400.

In January 2009, MAT1 Parent subscribed to 283,551,003 MASKS1 redeemable preference shares ("RPS") at $1 per unit via the repayment of the Project Dolphin Loan 2 Loan facility.

On 12 February 2009, there was a transfer of 1,442,100 SCACH stapled securities from MAT1 Parent to MASKS2 for a non-cash consideration of $735,417,083.

On 27 March 2009, MASKS4 purchased 263,765,836 stapled securities in SCAAT from Ontario Teachers Pension Plan using funding supplied by MAT1 Parent (Project Dolphin Loan 4: $371,396,674) and MAIL ($118,882,822: share subscription in MASKS4).

On 27 March 2009, MAT1 Parent subscribed to 298,667 SCACH securities for $110,963,750 on behalf of MASKS2. On the same date, MASKS2 issued 110,963,750 RPS to MAT1.

On 27 March 2009, MAT2 lent a further amount ($345,000,000) to MAT1 under the Term Loan facility.

On 30 June 2009, MASHT issued 226,611,298 ordinary shares to MAIL for a total of $226,611,298. Following from this, MAIL bought back 211,148,132 MASHT RPS from MAT1 by reducing the amount owing on a pre-existing loan owed by MAT1 to MAIL.

On 30 June 2009, MASKS1 Parent issued 115,711,454 ordinary shares to MAIL for a total of $115,711,454. Following from this, MAIL bought back 110,579,145 MASKS1 RPS from MAT1 Parent by reducing the amount owing on a pre-existing loan owed by MAT1 Parent to MAIL.

During December 2009, TDT advanced a loan ($800,476,105) and paid a dividend ($24,821,996) to MAT1 Parent. Following from this, MAT1 Parent repaid to MAREST the pre-existing FOLA and OLA loan facilities and related interest and indemnity amounts ($825,298,102).

MAT2 Group

The following transactions are not reflected in the Cash Flow Statements as the funds were paid directly under letters of direction:

On 9 January 2009, MASKS1 purchased 75,756,818 SCAAT units for $148,282,001, partially via a non-cash loan repayment by SCAAT of $105,437,600.

On 13 January 2009, SCAAT purchased 419,049 SCACH stapled securities for $163,864,921, partially via a non-cash loan repayment by SCACH of $105,437,600.

On 12 February 2009, there was a transfer of 1,442,100 SCACH stapled securities from MAT1 to MASKS2 for a non-cash consideration of $735,417,083.

On 27 March 2009, MAT2 lent a further amount ($345,000,000) to MAT1 under the Term loan facility.

On 27 March 2009, MAT1 subscribed to 298,667 SCACH securities for $110,963,750 on behalf of MASKS2. On the same date, MASKS2 issued 110,963,750 RPS to MAT1 for a total of $110,963,750.

In the prior year, SCAAT borrowed $105,437,600 from MASKS1 to make an early contribution to a SCACH equity subscription of $105,437,600. These transactions are not reflected in the Cash Flow Statements as the funds were paid by MASKS1 to SCACH directly under a letter of direction.

Financial Report
for year ended 31 December 2009

24 Cash Flow Information (continued)

Non-cash financing and investing activities (continued)

MAT2 parent entity

The following transactions are not reflected in the Cash Flow Statements as the funds were paid directly under letters of direction:

On 9 January 2009, MASKS1 purchased 75,756,818 SCAAT units for $148,282,001, partially via a non-cash loan repayment by SCAAT of $105,437,600.

In January 2009, MAT1 Parent subscribed to 283,551,003 MASKS1 redeemable preference shares ("RPS") at $1 per unit via the repayment of the Project Dolphin Loan 2 Loan facility.

On 12 February 2009, there was a transfer of 1,442,100 SCACH stapled securities from MAT1 to MASKS2 for a non-cash consideration of $735,417,083.

On 27 March 2009, MAT2 lent a further amount ($345,000,000) to MAT1 under the Term loan facility.

On 27 March 2009, MAT1 subscribed to 298,667 SCACH securities for $110,963,750 on behalf of MASKS2. On the same date, MASKS2 issued 110,963,750 RPS to MAT1 for a total of $110,963,750.

25 Related Party Disclosures

Responsible Entity

The Responsible Entity of MAT1 and MAT2 is MAp Airports Limited ("MAPL", formerly Macquarie Airports Management Limited). MAPL was a wholly owned subsidiary of Macquarie Group Limited ("MGL") until 15 October 2009 when it became a wholly owned subsidiary of MAT2. The registered office of the Responsible Entity is Level 9, 130 Pitt Street, Sydney NSW 2000.

Adviser

The adviser of MAIL until 14 October 2009 was Macquarie Capital Funds (Europe) Limited ("MCFEL") or ("the Adviser"), a wholly owned subsidiary of MGL. The advisory agreement was novated by MCFEL to Macquarie Group Holdings (UK) No 3 Limited ("MGH") on 14 October 2009. MGH was purchased by the Group on 15 October 2009. MCFEL was also the adviser of BABL, CASA and BAISA until 15 October 2009. MAPL is now the adviser to MAIL.

Internalisation

On 24 July 2009, MAp announced that it had reached agreement with MGL to internalise the management of MAp for a negotiated fee of $345.0 million for the termination of management arrangements with Macquarie. The internalisation and fee were approved by a vote of security holders on 30 September 2009.

MAp implemented the internalisation on 15 October 2009 by MAT2 Holdings Pty Limited, a wholly owned subsidiary of MAT2, acquiring all the issued capital of MAPL, the responsible entity for MAT1 and MAT2, and ending the Advisory Agreement between MAIL and a Macquarie subsidiary. MAp made employment offers to senior management who then transferred to MAp. MAp was paid $524,853 and GBP388,514 by MGL for employee entitlements transferred to MAp .

Directors

The following persons were directors of the Responsible Entity during the whole of the year and up to the date of this report:

- Max Moore-Wilton (Chairman)
- Trevor Gerber
- Michael Lee
- Bob Morris

John Roberts was appointed as a director on 15 October 2009.

The following persons were directors of MAIL during the whole of the year and up to the date of this report:

- Jeffrey Conyers (Chairman)
- Sharon Beesley
- Stephen Ward
- Max Moore-Wilton

The number of stapled securities in MAp and units in MAT2 held directly and indirectly by the directors of the Responsible Entity and MAIL are listed below:

	Stapled securities held at 31 December 2009
Max Moore-Wilton	**657,479**
Trevor Gerber	**185,454**
Michael Lee	**6,630**
Bob Morris	**40,908**
Sharon Beesley	**-**
Jeffrey Conyers	**-**
Stephen Ward	**21,818**
John Roberts	**63,390**
Total	**975,679**

25 Related Party Disclosures (continued)

During the year, no director of the Responsible Entity has received or become entitled to receive any benefit because of a contract made by the Groups with a director or with a firm of which a director is a member, or with an entity in which the director has a substantial interest except at terms set out in the Trust Constitutions.

Key Management Personnel

The following are Key Management Personnel of MAp:

- The Responsible Entity (until 15 October 2009)
- Max Moore-Wilton (Director of MAPL and MAIL)
- Trevor Gerber (Director of MAPL, KMP from 15 October 2009)
- Michael Lee (Director of MAPL, KMP from 15 October 2009)
- Bob Morris (Director of MAPL, KMP from 15 October 2009)
- John Roberts (Director of MAPL, KMP from 15 October 2009)
- Jeffrey Conyers (Director of MAIL)
- Sharon Beesley (Director of MAIL)
- Stephen Ward (Director of MAIL)
- Kerrie Mather (CEO of MAp, KMP from 15 October 2009)

The Key Management Personnel for MAT1 parent entity, MAT2 parent entity and the MAT2 Group was the Responsible Entity until 15 October 2009. The directors of the Responsible Entity and the CEO of MAp became Key Management Personnel from that date as they are now remunerated out of the assets of MAp, with the Responsible Entity being a member of the group from 15 October 2009.

Key Management Personnel are defined in AASB 124: Related Party Disclosures as those having authority and responsibility for planning, directing and controlling the activities of the entity. The directors of the Responsible Entity of the Trusts and the directors of MAIL meet the definition of Key Management Personnel as they have this authority in relation to the activities of MAp. These powers have not been delegated by the directors of the Responsible Entity or the directors of MAIL to any person other than the CEO of MAp. Accordingly, there are no other Key Management Personnel of MAp.

Compensation in the form of directors' fees paid or payable by MAp per director per annum are set out below:

	MAPL 2009	MAPL IBC Fees* 2009	MAIL 2009	MAIL IBC Fees* 2009	MAIL 2008
Max Moore-Wilton	$64,125	-	$50,000	-	$50,000
Trevor Gerber	$47,915	$296,000	-	-	-
Michael Lee	$47,915	$66,000	-	-	-
Bob Morris	$47,915	$66,000	-	-	-
John Robers	$20,822	-	-	-	-
Jeffrey Conyers	-	-	US$35,000	US$25,000	US$35,000
Sharon Beesley	-	-	US$35,000	-	US$35,000
Stephen Ward	-	-	US$35,000	US$100,000	US$35,000

* The Independent Board Committee (IBC) fees were paid in relation to the Internalisation of MAp management and were approved by Shareholders at the Special General meeting on 30 September 2009.

Sharon Beesley also received US$5,000 for acting as director of MAEL, a subsidiary of MAIL.

The compensation paid to directors is determined with reference to current market rates for directorships of similar entities. The level of compensation is not related to the performance of MAp.

Remuneration Framework

MAp's remuneration framework motivates directors and senior executives to pursue long term growth as well as enabling MAp to attract and retain high performers. The framework is designed to incentivise executives to achieve challenging key performance indicators (KPIs), align executive rewards with the creation of long term security holder value and attract and retain high calibre individuals.

When determining senior executive remuneration levels, the role, responsibilities, contribution, performance and experience of the individual is taken into account. Benchmarking data relevant to the individual's role and location as well as MAp's scale, complexity and geographic spread is also considered.

25 Related Party Disclosures (continued)

Remuneration is divided into those components which are not directly linked to contribution and performance (Fixed Annual Remuneration) and those components which are variable and directly linked to the delivery of personal KPIs and MAp's key business objectives including financial performance and security holder value creation (At Risk Remuneration).

Fixed Annual Remuneration (FAR)

FAR generally consists of base salary and benefits at a guaranteed level. NEDs, senior executives and certain other executives are provided with a FAR amount and have flexibility to determine the precise amount of cash and benefits they receive within that amount.

At Risk Remuneration (ARR)

In addition to FAR, a significant element of senior executives' maximum potential remuneration is required to be at risk. Currently, ARR is provided to senior executives and certain other executives through a Short Term Incentive Plan (STIP).

An individual's maximum potential remuneration may be achieved only in circumstances where they have achieved and surpassed challenging KPIs, including MAp's financial performance and security holder value creation.

No Short Term Incentive (STI) payments have been made to date. However, senior executives and certain other executives are eligible to receive STI payments subject to individual and corporate performance in February 2011 reflecting performance between 16 October 2009 and 31 December 2010. Maximum potential STI payments range up to 80% of FAR, adjusted to reflect the extended period to which they will relate.

In order to promote executive retention, one third of any individual's STI payment in excess of A$50,000 is deferred for three years. In the event of resignation or termination with cause prior to the payment of any deferred element of STI, this element is forfeited unless the Nomination & Remuneration Committee determines otherwise.

Arrangement for CEO

Service Contract

	Contract Type & Any Special Terms	FAR A$'000	STIP[10] % of FAR	Termination
Kerrie Mather Chief Executive Officer	Permanent	1,700	80%	12 months MAp/ 6 months Employee

Total Remuneration & Benefits for the Year

The following table details total remuneration and benefits paid to the CEO for the period from 16 October 2009 to 31 December 2009.

	Short Term Employee Benefits			Post Employment Benefits
	Salary A$'000	STI[11] A$'000	Non-Monetary Benefits A$'000	Superannuation A$'000
Kerrie Mather[12]	363	Nil	Nil	3

10 Maximum annualised STIP expressed as a proportion of FAR.

11 No STI payments have yet been made. However, executives are eligible for STI payments relating to the period from 16 October 2009 onwards (and estimated payments have been accrued) but these are dependent on performance between 16 October 2009 and 31 December 2010 and will not be paid until February 2011.

12 Direct employment by MAp commenced on 16 October 2009. Prior to that date, the executive was employed and remunerated by Macquarie and these amounts are not included.

25 Related Party Disclosures (continued)

Base management fees of $11,387,293 (2008: $20,310,709) and nil performance fees (2008: nil) were paid to the Responsible Entity as compensation by MAp for the period to 15 October 2009 prior to the internalisation of management.

Sharon Beesley is a shareholder in ISIS Limited, to which MAp paid consulting fees of $158,848 (2008: $167,107) during the year.

The above amounts represent transactions on normal commercial terms made in relation to the provision of services.

The number of stapled securities in MAp and units in MAT2 held directly, indirectly or beneficially by the key management personnel or their related entities during the financial year are set out below:

	Stapled securities			
	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	**Balance at the end of the year**
Responsible Entity	357,549,524	-	(357,549,524)	**-**
Max Moore-Wilton	602,690	-	54,789	**657,479**
Trevor Gerber*	-	-	185,454	**185,454**
Michael Lee*	-	-	6,630	**6,630**
Bob Morris*	-	-	40,908	**40,908**
John Roberts*	-	-	63,390	**63,390**
Jeffrey Conyers	-	-	-	**-**
Sharon Beesley	-	-	-	**-**
Stephan Ward	20,000	-	1,818	**21,818**
Kerrie Mather*	-	-	3,554,521	**3,554,521**
Total	358,385,792	-	(353,642,014)	**4,530,200**

* KMP from 15 October 2009

Responsible Entity's and Adviser's Fees

Under the terms of the documents governing the individual entities within the Groups, fees paid or payable (inclusive of non-recoverable GST and VAT) to the Responsible Entity of the Trusts and the Adviser of MAIL were:

Consolidated	**MAp 31 Dec 2009 $**	MAp 31 Dec 2008 $	**MAT2 31 Dec 2009 $**	MAT2 31 Dec 2008 $
Base fee	**26,657,000**	42,034,316	**5,782,025**	9,875,447
	26,657,000	42,034,316	**5,782,025**	9,875,447

Parent Entity	**MAT1 31 Dec 2009 $**	MAT1 31 Dec 2008 $	**MAT2 31 Dec 2009 $**	MAT2 31 Dec 2008 $
Base fee	**5,605,268**	10,435,262	**5,782,025**	9,875,447
	5,605,268	10,435,262	**5,782,025**	9,875,447

A base fee of €377,310 ($627,220) was paid to the adviser of BABL for the period 1 January 2008 up to 15 May 2008. As part of the restructure of BABL, a new reporting agreement was entered into. Under the new agreement a base fee of £73,713 ($153,065) was paid for the period 15 May 2008 to 30 June 2008 and at 31 December 2008 there was a base fee payable of £294,852 ($606,918) to MCFEL for the period 1 July 2008 to 31 December 2008. A base fee of £462,773 ($948,218) was paid or payable for the period 1 January 2009 to 15 October 2009.

In addition, a performance fee of €1,156,754 ($1,971,757) was paid to the Adviser of BABL for the period up to 15 May 2008.

During 2008 BABL terminated the Advisory Agreement with MCFEL and in accordance with the terms of the Termination Deed a termination fee in lieu of any and all future performance fees of £58,099,269 ($118,954,760) became payable. The terms of the termination deed were negotiated between the Adviser and the shareholders of BABL excluding MAp.

25 Related Party Disclosures (continued)

Following the termination of the Advisory Agreement with MCFEL, BABL entered into a Reporting Agreement with MCFEL under which MCFEL will provide management and reporting services and earn a base fee of £586,500 per annum. The reporting agreement was terminated as part of the internalisation on 15 October 2009.

The quarterly base fee for MAp to 15 October was calculated as:
- 1.5% per annum of the first $500 million of Net Investment Value of MAp; plus
- 1.25% per annum of the next $500 million of Net Investment Value of MAp; plus
- 1.0% per annum of the Net Investment Value of MAp in excess of $1,000 million.

Net Investment Value for any quarter equals:
- the average market capitalisation of MAp over the last 15 trading days of the quarter; plus
- the amount of any external borrowings of MAp at the end of the quarter; plus
- the amount of any firm commitments by MAp to make further investments at the quarter end; less
- cash balances of MAp at the quarter end.

While MAp holds any co-investments with BABL, to the extent that MAp's co-investments attract separate management fees payable to MBL or its subsidiaries, amounts paid up on any such co-investments with BABL made by MAp were included in the calculation of Net Investment Value and MAp's proportionate share of the co-investment management fee will be rebated against the base fee payable by MAp.

The performance fee was calculated with reference to the performance of the accumulated security price of MAp compared with the performance of the MSCI World Transportation Infrastructure Accumulation Index (in local currency).

Fees were apportioned between MAT1, MAT2 and MAIL based on each entity's share of net assets of MAp (further adjusted for cash and investment commitments in the case of the base fee). The net market values of assets were used in the calculation of this apportionment. Following the internalisation no further management fees were paid.

For the year ended 31 December 2009, no performance fee was payable by MAp.

As a result of the internalisation MAp will no longer pay base and performance fees.

Custodians' fees

Under the terms of the Custody Agreements with Trust Company of Australia, fees paid or payable (inclusive of non-recoverable GST) to the Custodian during the period were:
- MAp $393,839 (2008: $353,008)
- MAT2 Group $213,249 (2008: $235,789)
- MAT1 parent $180,566 (2008: $117,186)
- MAT2 parent $208,418 (2008: $230,664)

During the year Bond Street Custodians Limited, a wholly owned subsidiary of MGL, acted as custodian of certain assets of MAT1 and SCAAT. Fees paid or payable by the Group to Bond Street Custodians Limited under the terms of the Custody Agreements were:
- MAp $144,453 (2008: $135,919)
- MAT2 Group $18,530 (2008: $24,336)
- MAT1 parent $125,923 (2008: $111,583)
- MAT2 parent $nil (2008: $nil)

Other transactions

MGL and companies within the MGL Group have undertaken various transactions with, and performed various services for MAp. Fees paid to MGL are approved solely by the independent directors on the boards of the Responsible Entity and the Company and where appropriate, external advice is sought by the directors to ensure that the fees and terms of engagement are representative of arms length transactions.

25 Related Party Disclosures (continued)

From time to time, MGL and companies within the MGL Group buy and sell investments to and from MAp. The terms of investment transactions between MAp and MGL are the same as those offered to other parties.

At 31 December 2009, companies within the MGL Group held 427.1 million (2008: 391.4 million) stapled securities in the Group.

Distributions totalling nil (2008: nil) were paid or payable by MAp to the Responsible Entity for the year ended 31 December 2009.

At 31 December 2009, entities within the Group had the following funds on deposit with Macquarie Bank Limited (“MBL”), a wholly owned subsidiary of MGL.

- MAp $49,954,583 (2008: $55,200,542)
- MAT2 Group $13,246,107 (2008: $7,062,465)
- MAT1 parent $21,716,506 (2008: $22,833,494)
- MAT2 parent $2,562,880 (2008: $5,861,093)

During the period to 31 December 2009, entities within the Group earned the following interest on deposits with MBL. MAp earns interest on deposit at commercial rates:

- MAp $1,726,830 (2008: $6,209,727)
- MAT2 Group $314,506 (2008: $429,049)
- MAT1 parent $879,495 (2008: $1,995,875)
- MAT2 parent $180,297 (2008: $244,133)

At 31 December 2009, MAp had the following balances of negotiable certificates of deposit and commercial paper that had been purchased purchased from the MBL Treasury and Debt Market desks:

- MAp $955,834,143 (2008: $2,294,951,801)
- MAT2 Group $47,354,913 (2008: $463,285,698)
- MAT1 parent $278,313,755 (2008: $288,868,780)
- MAT2 parent $nil (2008: $412,497,126)

During the period to 31 December 2009, entities within the Group earned the following interest on negotiable certificates of deposit and commercial paper that had been purchased from the MBL Treasury and Debt Market desks. MAp earns interest on negotiable certificates of deposit and commercial paper at commercial rates:

- MAp $68,538,693(2008: $75,399,314)
- MAT2 Group $6,763,372 (2008: $9,688,952)
- MAT1 parent $6,230,235 (2008: $4,795,955)
- MAT2 parent $3,550,902 (2008: $4,874,449)

During the period to 31 December 2009 entities within the Group reimbursed MGL the following, representing out-of-pocket expenses incurred by the Responsible Entity and the Adviser in the performance of their duties:

- MAp $504,272 (2008: $1,494,779)
- MAT2 Group $118,999 (20078: $310,413)
- MAT1 parent $112,149 (2008: $429,281)
- MAT2 parent $118,999 (2008: $310,413)

During the period to 31 December 2009, the following expenses were paid or became payable by entities within the Group to MGL or MGL Group Companies:

- Sydney Airport has paid $6,746,691 (2008: $3,720,000) to MGL for advisory services.
- Sydney Airport has paid $115,500 (2008: $18,670) to various MGL related entities for other services.

25 Related Party Disclosures (continued)

During the year, the following expenses were paid or became payable to related parties (excluding MGL Group Companies), by entities within the Group:

- The Responsible Entity of MAT1 and the Responsible Entity of MAp Airports Reset Exchangeable Securities Trust ("MAREST") entered into an Expenses Indemnity and Fees Deed ("the Deed") dated 17 November 2004. Under the Deed, MAT1 indemnifies MAREST for any liability incurred by the Responsible Entity of MAREST in properly performing or exercising any of its powers or duties in relation to MAREST. Costs paid or payable by MAT1 under the Deed totalled $43,043,062 (2008: $878,788) for the year ended 31 December 2009. Under the Deed MAT1 will be liable to pay to MAREST the difference between the TICkETS face values and the amount borrowed from MAREST.
- Sydney Airport had paid Airport Strategic Consultants Pty Limited, an associate of MAp until 15 October 2009, $1,336,520 in fees.

During the year, the following services were provided by MGL Group to entities within the Group:

- Sydney Airport uses the services provided by MGL debt market department for interest rate swaps. These services are provided at normal commercial terms.
- MAp utilises the services provided by MGL's foreign exchange departments from time to time.

During the previous financial year the following related party transactions occurred:

During the prior year, the following expenses were paid or became payable by entities within the Group to MGL or MGL Group Companies:

- Sydney Airport has paid $3,720,000 to MGL for advisory services.
- Sydney Airport has paid $18,670 to various Macquarie Group Limited related entities for other services.
- A fee of $418,000 was paid to MBL Treasury and Debt Markets by MAT1 on behalf of the TDT.

During the prior year, the following expenses were paid or became payable to related parties (excluding MGL Group Companies), by entities within the Group:

- The Responsible Entity of MAT1 and the Responsible Entity of MAREST entered into an Expenses Indemnity and Fees Deed ("the Deed") dated 17 November 2004. Under the Deed, MAT1 indemnifies MAREST for any liability incurred by the Responsible Entity of MAREST in properly performing or exercising any of its powers or duties in relation to MAREST. Costs paid or payable by MAT1 under the Deed totalled $878,788 for the year ended 31 December 2008. Under the Deed MAT1 will be liable to pay to MAREST the difference between the TICkETS face values and the amount borrowed from MAREST. At 31 December 2008 the difference is $2,650,253.
- Sydney Airport had paid Airport Strategic Consultants Pty Limited, an associate of MAp, $2,238,771 in fees.

During the prior year, the following services were provided by MGL Group to entities within the Group:

- Macquarie Airports Copenhagen Holdings ApS ("MACH") continued to have an interest rate swap with MGL (entered into in 2005) to hedge the floating interest rate risk on a portion of the external debt drawn to partially fund the acquisition of Copenhagen Airports. MACH also entered into an additional interest rate swap with MGL during the period.
- Sydney Airport uses the services provided by MGL debt market department for interest rate swaps. These services are provided at normal commercial terms.
- MAp utilises the services provided by MGL's foreign exchange departments from time to time.

All of the above amounts represent transactions on normal commercial terms made in relation to the provision of goods and services.

MAT2 Group

The following transactions are specific for the MAT2 group:

- During the year, MAT2 earned interest from MAT1 under the interest bearing facility set up in 2007. Under the terms of the facility, interest is calculated at floating market rates and is payable quarterly in arrears. Interest which is not paid may be capitalised. During the year ended 31 December 2009, interest of $586,827 (2008: $3,250,388) was paid or accrued on this facility. MAT1 repaid the facility in full on 6 November 2009.

25 Related Party Disclosures (continued)

- On 9 January 2009, MAT2 Group advanced an additional $55,052,713 to MAT1 under the interest bearing facility set up in 2008. Under the terms of the facility, interest is calculated at floating market rates and is payable quarterly in arrears. Interest which is not paid may be capitalised. During the year ended 31 December 2009, interest of $15,579,424 (2008: $1,226,101) was paid or accrued on this facility.
- On 27 March 2009, MAT2 Group advanced an additional $345,000,000 to MAT1 under a general purpose interest bearing facility set up in 2008. Under the terms of the facility, interest is calculated at floating market rates and is payable quarterly in arrears. Interest which is not paid may be capitalised. During the year ended 31 December 2009, interest of $18,465,402 (2008: $32,740) was paid or accrued on this facility.
- During 2009, MAT1's investment in MASH Redeemable Preference Shares ($871,900,000) paid interest of $113,061,028 (2008:$ 185,118,164).
- During 2009, MAT1's investment in MASKS2 Redeemable Preference Shares ($846,380,833) paid interest of $38,650,000 (2008: nil).
- During 2009, MAT1's investment in MASKS3 Redeemable Preference Shares ($59,308,579) paid interest of $1,900,000 (2008: nil).
- On 8 January 2009, MASKS1 loan of $105,437,600 to SCAAT was repaid through the issuance of SCAAT units. During the year ended 31 December 2009, interest of $122,852(2008: $539,898) was received or accrued on this facility.
- During 2009, MAT1 advanced a loan to MAT2 of $78,545,842. During the year ended 31 December 2009, interest of $597,121 was paid or accrued on this facility.
- On 22 April 2009, MAT1 loaned $59,308,579 to MASKS3. MASKS3 repaid this facility in full during June 2009 via the issuance of RPS to MAT1. Under the terms of the facility, interest is calculated at floating market rates and is payable quarterly in arrears. Interest which is not paid may be capitalised. During the year ended 31 December 2009, interest of $428,275 was paid or accrued on this facility.
- During the year, MASKS2 acquired 1,740,767 stapled securities in SCACH for a total of $846,380,834.
- During the year, MASKS3 acquired 158,527 stapled securities in SCACH for a total of $58,897,536.
- On 16 February 2009, two MASKS2 shares valued at $2 were transferred from MAT1 to MAT2.
- On 25 June 2009, two MASKS3 shares valued at $2 were transferred from MAIL to MAT2.
- On 14 July 2009, two MHPL shares valued at $2 were transferred from MAT1 to MAT2.

During the year, members of the MAT2 Group received the following payments from other members of the Group:

- Sydney Airport had paid MAT2 fees of $16,500.
- During the prior year, MAIL advanced a loan of $60,152,506 to MAT2. Under the terms of the facility, interest is calculated at floating market rates and is payable quarterly in arrears. Interest which is not paid may be capitalised. During the year ended 31 December 2008, interest of $1,712,444 was received or accrued on this facility. This loan was substantially repaid during the year.

During the prior year, members of the MAT2 Group received the following payments from other members of the Group:

- Sydney Airport paid MAT2 fees of $66,000.

MAT1 Parent

The following transactions are specific for the MAT1 parent:

- During the year, MAT2 earned interest from MAT1 under the interest bearing facility set up in 2007. Under the terms of the facility, interest is calculated at floating market rates and is payable quarterly in arrears. Interest which is not paid may be capitalised. During the year ended 31 December 2009, interest of $586,827 (2008: $3,250,388) was paid or accrued on this facility. MAT1 repaid the facility in full on 6 November 2009.
- On 9 January 2009, MAT2 Group advanced an additional $55,052,713 to MAT1 under the interest bearing facility set up in 2008. Under the terms of the facility, interest is calculated at floating market rates and is payable quarterly in arrears. Interest which is not paid may be capitalised. During the year ended 31 December 2009, interest of $15,579,424 (2008: $1,226,101) was paid or accrued on this facility.

25 Related Party Disclosures (continued)

- On 27 March 2009, MAT2 Group advanced an additional $345,000,000 to MAT1 under a general purpose interest bearing facility set up in 2008. Under the terms of the facility, interest is calculated at floating market rates and is payable quarterly in arrears. Interest which is not paid may be capitalised. During the year ended 31 December 2009, interest of $18,465,402 (2008: $32,740) was paid or accrued on this facility. MAT2 novated this loan including accrued interest to MASKS2 on 27 March 2009.
- On 9 January 2009, Mat1 advanced an additional $42,844,401 to MASKS1. MASKS1 repaid this facility in full on 22 January 2009 via the issuance of RPS to MAT1. Under the terms of the facility, interest is calculated at floating market rates and is payable quarterly in arrears. Interest which is not paid may be capitalised. During the year ended 31 December 2009, interest of $863,041 (2008: $1,018,230) was paid or accrued on this facility.
- During January 2009, MAT1's 2008 advanced loan to SCACH was repaid through the issuance of SCACH units. Under the terms of the facility, interest is calculated at floating market rates and is payable quarterly in arrears. Interest which is not paid may be capitalised. During the year ended 31 December 2009, interest of $244,907 (2008: $182,377) was paid or accrued on this facility.
- During 2009, MAT1's investment in MASH Redeemable Preference Shares ($871,900,000) paid interest of $113,061,028 (2008:$ 185,118,164).
- During 2009 MAT1 bought back $211,148,132 MASHT Redeemable Preference Shares reducing the holding to $156,536,265. Interest of $15,463,166 was also bought back whilst interest of $17,337,077 (2008: $5,810,626) was accrued or paid. During 2009 MAT1 bought back $110,579,145 MASKS1 Redeemable Preference Shares reducing the holding to $172,971,858. Interest of $5,132,309 was also bought back whilst interest of $14,370,000 (2008: $nil) was accrued or paid. During 2009, MAT1's investment in MASKS2 Redeemable Preference Shares ($846,380,833) paid interest of $38,650,000 (2008: $nil).
- During 2009, MAT1's investment in MASKS3 Redeemable Preference Shares ($59,308,579) paid interest of $1,900,000 (2008: $nil).
- During 2009, MAT1's investment in MASKS4 Redeemable Preference Shares ($350,000,000) paid interest of $20,085,000 (2008: $nil).
- During 2009, MAT1 advanced a loan to MAT2 of $78,545,842. During the year ended 31 December 2009, interest of $597,121 was paid or accrued on this facility.
- On 31 December 2009, TDT advanced a loan of $800,476,105 to MAT1. During the year ended 31 December 2009, nil interest was paid or accrued on this facility.
- During the year, MAT1 paid interest of $20,631,968 to MAREST under an interest bearing facility set up in 2004. MAT1 repaid the facility in full on 30 December 2009.
- During the year, MAT1 paid interest of $28,607,427 to MAREST under an interest bearing facility set up in 2006. MAT1 repaid this facility in full on 30 December 2009.
- On 22 April 2009, MAT1 loaned $59,308,579 to MASKS3. MASKS3 repaid this facility in full during June 2009 via the issuance of RPS to MAT1. Under the terms of the facility, interest is calculated at floating market rates and is payable quarterly in arrears. Interest which is not paid may be capitalised. During the year ended 31 December 2009, interest of $428,275 was paid or accrued on this facility.
- On 27 March 2009, MAT1 loaned $371,396,579 to MASKS4. MASKS4 repaid this facility in full during June 2009 via the issuance of RPS to MAT1. Under the terms of the facility, interest is calculated at floating market rates and is payable quarterly in arrears. Interest which is not paid may be capitalised. During the year ended 31 December 2009, interest of $3,978,738 was paid or accrued on this facility.
- On 27 March 2009, MAIL loaned $244,142,861 to MAT1. MAT1 repaid this facility in full during June 2009. During the year ended 31 December 2009, interest of $1,814,397 was paid or accrued on this facility.
- During the year, MAT1 acquired a further 287,804 stapled securities in SCACH for a total of $109,480,860.
- On 23 January 2009, two MASKS1 shares valued at $2 were transferred from MAIL to MAT1. On 15 June 2009, a further 115,711,454 shares were issued to MAIL for a total of $115,711,454.
- On 16 February 2009, two MASKS2 shares valued at $2 were transferred from MAT1 to MAT2.
- On 14 July 2009, two MHPL shares valued at $2 were transferred from MAT1 to MAT2.

During the prior financial year, the following related party transaction occurred:

- During the prior year a fee of $418,000 was paid to MBL Treasury and Debt Markets by MAT1 on behalf of the TDT.

Financial Report
for year ended 31 December 2009

25 Related Party Disclosures (continued)

MAT2 Parent

The following transactions are specific for the MAT2 parent:

- During the year, MAT2 earned interest from MAT1 under the interest bearing facility set up in 2007. Under the terms of the facility, interest is calculated at floating market rates and is payable quarterly in arrears. Interest which is not paid may be capitalised. During the year ended 31 December 2009, interest of $586,827 (2008: $3,250,388) was paid or accrued on this facility. MAT1 repaid the facility in full on 6 November 2009.
- During the year MAT2 advanced an interest free loan to MASKS2 of $838,304,004.
- During the year MAT2 advanced an interest free loan to MHPL of $165,892,553.
- During the year MASKS2, MASKS3, MAPL and MHPL joined the tax sharing agreement between MAT2, MASH and GISH.
- During 2009, MAT1 advanced a loan to MAT2 of $78,545,842. During the year ended 31 December 2009, interest of $597,121 was paid or accrued on this facility.
- On 16 February 2009, two MASKS2 shares valued at $2 were transferred from MAT1 to MAT2.
- On 25 June 2009, two MASKS3 shares valued at $2 were transferred from MAIL to MAT2.
- On 14 July 2009, two MHPL valued at $2 were transferred from MAT1 to MAT2.

During the prior financial year, the following related party transaction occurred:

- MAT2 entered into a tax sharing agreement with MASH and GISH. At 31 December 2008 the Group's taxable income was $754,073,113. Tax Consolidated Group losses bought forward were $5,946,681 and losses carried forward to future periods were nil.
- During the year, MAIL advanced a loan of $60,152,506 to MAT2. Under the terms of the facility, interest is calculated at floating market rates and is payable quarterly in arrears. Interest which is not paid may be capitalised. During the year ended 31 December 2008, interest of $1,712,444 was received or accrued on this facility. This loan was substantially repaid during the year.

Financial Report
for year ended 31 December 2009

26 Segment Reporting

The directors of the Responsible Entity of MAp have determined the operating segments based on the reports reviewed by the chief operating decision maker, being the Board of MAp Airports Limited.

The Board considers the business from the aspect of each of the core portfolio assets and has identified four operating segments. The segments are the investments in Sydney Airport, Copenhagen Airports, Brussels Airport and Bristol Airport. MAp has control or joint control of these investments and as such, the directors of Responsible Entity of MAp can exert significant influence over the management control of the entities.

MAp's airport business also includes investments in Japan Airport Terminal (up to 3 August 2009) and ASUR. However, as the directors of the responsible entity of MAp do not have the ability to significantly influence the management decisions of the entities, the investments do not meet the definition of reportable segments under AASB 8: *Operating Segments*.

The operating segments note discloses the airport assets performance by individual core-portfolio airport in their respective local currencies. The information is presented at 100% of the earnings before interest, tax, depreciation and amortisation ("EBITDA") rather than based on MAp's proportionate share. This is consistent with the manner in which this information is presented to the Board on a monthly basis in its capacity as chief operating decision maker, to monitor the portfolio asset fair values.

MAp	Sydney Airport $'000	Copenhagen Airports DKK'000	Brussels Airport EUR'000	Bristol Airport* GBP'000
Year to 31 December 2009				
Total segment revenues	853,347	2,923,959	365,660	48,220
Total segment expenses	(164,035)	(1,405,647)	(174,440)	(19,706)
EBITDA	**689,312**	**1,518,312**	**191,220**	**28,514**
Year to 31 December 2008				
Total segment revenues	812,813	3,114,250	387,077	59,404
Total segment expenses	(163,393)	(1,493,818)	(164,220)	(25,024)
EBITDA	**649,420**	**1,620,432**	**222,857**	**34,380**

*Revenues and expenses for the period 1 January 2009 to 31 October 2009.

MAp	Sydney Airport $'000	Copenhagen Airports $'000	Brussels Airport $'000	Bristol Airport $'000	Other $'000	Total $'000
Total segment assets						
31 December 2009	**11,780,802**	**972,340**	**947,295**	**6,446**	**1,302,792**	**15,009,675**
31 December 2008	11,876,775	1,054,284	1,114,302	336,793	3,151,334	17,533,488

A reconciliation of MAp EBITDA to profit/(loss) before income tax expense is provided as follows:

MAp	Sydney Airport $'000	Copenhagen Airports DKK'000	Brussels Airport EUR'000	Bristol Airport GBP'000	Total $'000
Year to 31 December 2009					
EBITDA	689,312	1,518,312	191,220	28,514	-
EBITDA of investments carried at Fair Value	-	(1,518,312)	(191,220)	(28,514)	-
AUD equivalent	689,312	-	-	-	689,312
Other income and expenses					
Interest income					92,447
Fair value movement on derivative contracts					67,506
Other income					79,913
Revaluation expense of investments in financial assets					(397,862)
Finance costs					(583,163)
Amortisation and depreciation					(284,067)
Administration expenses					(82,943)
Foreign exchange losses					16,743
Internalisation expenses					(351,055)
Loss before income tax expense					**(753,169)**

Financial Report
for year ended 31 December 2009

26 Segment Reporting (continued)

MAp	Sydney Airport $'000	Copenhagen Airports DKK'000	Brussels Airport EUR'000	Bristol Airport GBP'000	Total $'000
Year to 31 December 2008					
EBITDA	649,420	1,620,432	222,857	34,380	
EBITDA of investments carried at Fair Value	-	(110,614)	(30,351)	(34,380)	
AUD equivalent	649,420	344,242	326,766	-	1,320,428
Other income and expenses					
Interest income					143,528
Fair value movement on derivative contracts					(14,727)
Other income					1,562,005
Revaluation income of investments in financial assets					1,317,194
Revaluation expense of investments in financial assets					(338,579)
Finance costs					(794,573)
Amortisation and depreciation					(595,914)
Administration expenses					(175,972)
Foreign exchange losses					(33,332)
Other expenses					(155,234)
Profit before income tax expense					**2,234,824**

MAT2 Group	Sydney Airport AUD '000
Year to 31 December 2009	
Total segment revenues	**853,347**
Total segment expenses	**(164,035)**
EBITDA	**689,312**
Year to 31 December 2008	
Total segment revenues	812,813
Total segment expenses	(163,393)
EBITDA	649,420

MAT2 Group	Sydney Airport $'000	Other $'000	Total $'000
Total segment assets			
31 December 2009	**4,504,664**	**945,532**	**5,450,196**
31 December 2008	3,232,798	930,555	4,163,353

A reconciliation of MAT2 EBITDA to profit/(loss) before income tax expense is provided as follows:

MAT2 Group	2009 $'000	2008 $'000
EBITDA	**689,312**	649,420
EBITDA of investments carried at Fair Value	**(689,312)**	(649,420)
Other income and expenses		
Interest income	**41,840**	15,183
Other income	**3,208**	651
Revaluation income of investments in financial assets	**-**	69,794
Revaluation expense of investments in financial assets	**(6,173)**	(319,734)
Finance costs	**(248,350)**	(135,147)
Administration expenses	**(10,696)**	(11,686)
Other expenses	**(147,309)**	-
Loss before income tax expense	**(367,480)**	(380,939)

27 Deconsolidation of Subsidiaries due to Loss of Control

MAG Restructure

On 15 May 2008 MAG was restructured from a limited life investment fund into a holding company. MAG's only airport investment at the time of the restructure was a 50% stake in Bristol Airport. The purpose of the restructure was to remove any risk of a potential sale of the investment in Bristol Airport upon the winding up of MAG, which would have been required by 2011.

As part of the restructure MAG was renamed Bristol Airport (Bermuda) Limited ("BABL"). As a result of the restructure and the changes made to the relevant constituent documents, MAp no longer had the power to govern the financial and operating policies of BABL from 15 May 2008, and therefore did not control the entity.

The loss of control was triggered by a change in the shareholders agreement however there was no change to the shareholding and no cash was exchanged.

As per the requirements of AASB 127: Consolidated and Separate Financial Statements, MAp deconsolidated BABL from the date it lost control. The total loss realised on the deconsolidation of MAG was $146.7 million

The net assets of MAG at the time of loss of control were as follows:

	MAG $'000
Current assets	
Cash and cash equivalents	131,479
Total current assets	131,479
Non-current assets	
Receivables	2,451
Investments in financial assets	547,520
Total non-current assets	549,971
Total assets	**681,450**
Current liabilities	
Payables	119,764
Current tax liabilities	21
Total current liabilities	119,785
Total liabilities	**119,785**
Net assets	**561,665**

Financial Report
for year ended 31 December 2009

27 Deconsolidation of Subsidiaries due to Loss of Control (continued)

Partial divestment of Copenhagen Airports

On 20 August 2008, MAp announced that it had agreed to dispose 50% of its interest in Copenhagen Airports through the disposal of its interests in CASA to Macquarie European Infrastructure Fund III. The financial close of the transaction occurred on 5 November 2008 and the total cash consideration for the partial divestments was €532.8m ($1,024.7m).

As a result of the divestment, MAp no longer had the power to govern the financial and operating policies of CASA from 5 November 2008, and therefore did not control Copenhagen Airports. As per the requirements of AASB 127: Consolidated and Separate Financial Statements, MAp deconsolidated CASA from the date it lost control. The total gain realised on the deconsolidation of CASA was $1,119.6 million.

The net assets of CASA consolidated group at the time of loss of control were as follows:

	CASA $'000
Current assets	
Cash and cash equivalents	110,399
Receivables	68,259
Other assets	8,699
Derivative financial instruments	7,849
Total current assets	195,206
Non-current assets	
Derivative financial instruments	22,892
Investments in financial assets	190,854
Property, plant and equipment	4,083,045
Investment property	51,544
Intangible assets	1,024,024
Total non-current assets	5,372,359
Total assets	**5,567,565**
Current liabilities	
Payables	93,728
Deferred income	14,088
Prepayments from customers	7,625
Interest bearing liabilities	4,420
Current tax liabilities	54,437
Total current liabilities	174,298
Non-current liabilities	
Derivative financial instruments	34,930
Interest bearing liabilities	2,168,384
Provisions	13,035
Deferred tax liabilities	1,003,274
Total non-current liabilities	3,219,623
Total liabilities	**3,393,921**
Net assets	**2,173,644**

27 Deconsolidation of Subsidiaries due to Loss of Control (continued)

Partial divestment of Brussels Airport

On 20 August 2008, MAp announced that it had agreed to dispose 42.0% of its interest in Brussels Airport through the disposal of its interests BAISA to Macquarie European Infrastructure Fund III. The financial close of the transaction occurred on 5 November 2008 and the total cash consideration for the partial divestments was €408.3m ($785.5m).

As a result of the divestment, MAp no longer had the power to govern the financial and operating policies of BAISA from 5 November 2008, and therefore did not control Brussels Airport. As per the requirements of AASB 127: Consolidated and Separate Financial Statements, MAp deconsolidated BAISA from the date it lost control. The total gain realised on the deconsolidation of BAISA was $431.4 million.

The net assets of BAISA consolidated group at the time of loss of control were as follows:

	BAISA $'000
Current assets	
Cash and cash equivalents	198,907
Receivables	394,311
Other assets	8,453
Total current assets	601,671
Non-current assets	
Investments in financial assets	18,171
Property, plant and equipment	2,886,820
Intangible assets	1,681,295
Total non-current assets	4,586,286
Total assets	**5,187,957**
Current liabilities	
Payables	422,157
Deferred income	51,382
Financial liabilities	381,392
Provisions	19,079
Total current liabilities	874,010
Non-current liabilities	
Derivative financial instruments	101,043
Interest bearing liabilities	2,722,745
Provisions	44,070
Deferred tax liabilities	415,644
Total non-current liabilities	3,283,502
Total liabilities	**4,157,512**
Net assets	**1,030,445**

28 Financial Risk Management

The Groups' and the parent entities activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Groups' and the parent entities overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of both Groups. The Groups and parent entities use derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures.

Risk management is carried out by the Responsible Entity under policies approved by the Board of the Responsible Entity. The Board of the Responsible Entity identifies, evaluates and hedges financial risks and provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating foreign exchange, interest rate and credit risks, use of derivative financial instruments and investing excess liquidity.

Market risk

(a) Foreign exchange risk

Foreign exchange risk arises when recognised assets and liabilities and future commercial transactions are denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Groups and the parent entities operate internationally and are exposed to foreign exchange risk arising from currency exposures to the Euro, Great Britain Pound, Mexican Peso, United States Dollar, Japanese Yen and Danish Krone.

The Groups and the parent entities generally do not hedge the foreign exchange exposure on overseas investments due to their long-term horizon. Commitments to make investments which are denominated in foreign currencies are hedged, by way of forward contracts, as close as possible to the time of making the commitment or raising the required capital. Anticipated distributions from investments denominated in foreign currencies are typically hedged on a progressively declining basis out to 18 months. Entities within the Group that have foreign loan liabilities are not covered using forward exchange contracts as these are covered by a natural hedge against the underlying assets.

Monetary items are converted to the Australian Dollar at the rate of exchange ruling at the financial reporting date. Derivative instruments are valued with reference to forward exchange rates from the year-end to settlement date, as provided by independent financial institutions.

(b) Price risk

The Groups and parent entities hold investments which are classified on the balance sheet at fair value through profit or loss. Accordingly the Groups and the parent entities are exposed to equity securities price risk resulting in unrealised gains or losses from time to time. The Groups are long term investors and generally do not hedge against short term fluctuations in securities prices.

The Groups are not exposed to commodity price risk.

(c) Fair value interest rate risk

As the Groups and the parent entities have no significant interest-bearing assets, apart from cash and cash equivalent balances, the Groups' income and operating cash flows are substantially independent of changes in market interest rates.

The Groups' and the parent entities main interest-rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Groups and the parent entities to cash flow interest rate risk. Borrowings issued at fixed rates expose the Groups and the parent entities to fair value interest rate risk. The Groups and the parent entities have long term borrowings issued at both fixed and floating interest rates. For floating rate exposures, the Groups partially hedge the exposure by entering into interest rate and cross currency swaps, whereby the Groups and the parent entities agree with their counterparties to exchange at specified intervals the difference between the fixed contract rates and floating rate amounts calculated by reference to the agreed notional principal amounts.

28 Financial Risk Management (continued)

Credit risk

Potential areas of credit risk consist of cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions as well as credit exposures to committed transactions. The Groups and parent entities limit their exposure in relation to cash balances by only dealing with well established financial institutions of high quality credit standing. The Groups and parent entities only accept independently rated parties with minimum ratings. The Board of the Responsible Entity from time to time sets exposure limits to financial institutions and these are monitored on an on-going basis. MAp is a long term investor and manages risks associated with investments in associates on an entity by entity basis.

Sound credit risk management involves prudently managing the risk and reward relationship and controlling and minimising credit risks across a variety of dimensions, such as quality, concentration, maturity and security.

MAp Consolidated As at 31 December 2009	Governments $'000	Financial Institutions $'000	Corporates $'000	Total $'000
Cash and cash equivalents	**-**	**1,459,641**	**-**	**1,459,641**
Other financial instruments	**-**	**-**	**2,065,328**	**2,065,328**
Derivative financial instruments	**-**	**715**	**-**	**715**
Receivables	**420,330**	**1,195**	**134,321**	**555,846**
Total	**420,330**	**1,461,551**	**2,199,649**	**4,081,530**

MAp Consolidated As at 31 December 2008	Governments $'000	Financial Institutions $'000	Corporates $'000	Total $'000
Cash and cash equivalents	-	2,313,985	-	2,313,985
Other financial instruments	-	838,492	3,010,739	3,849,231
Derivative financial instruments	-	4,212	-	4,212
Receivables	481,535	342	117,986	599,863
Total	481,535	3,157,031	3,128,725	6,767,291

Credit risk exposure for the MAT2 Group, MAT1 parent and MAT2 parent are not significant.

Governments

The credit risk to government relates to receivables that are due from the Australian, Belgium, Danish, Italian and United Kingdom governments which are all institutions with strong credit ratings.

Financial Institutions

The credit risk to financial institutions relates to cash held by, receivables due from and negotiable certificates of deposit and commercial paper that has been purchased from Australian and OECD banks. In line with the credit risk policies of the Groups these counterparties must meet a minimum credit rating.

Corporates

The credit risk to corporates relates to aeronautical, retail and property trade receivables at the airport asset level. These counterparties have a range of credit ratings.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Groups and parent entities have a prudent liquidity management policy which manages liquidity risk by monitoring the stability of funding, surplus cash or near cash assets, anticipated cash in and outflows and exposure to connected parties.

The below tables display the forecast contractual undiscounted future cash flows of the MAp and MAT2 Group's liabilities.

Financial Report
for year ended 31 December 2009

28 Financial Risk Management (continued)

Undiscounted future cash flows

MAp Consolidated As at 31 December 2009	Less than 1 year $'000	1-2 years $'000	2-3 years $'000	3-5 years $'000	Greater than 5 years $'000	Total $'000
Trade payables	**50,466**	**-**	**-**	**-**	**-**	**50,466**
Distribution Payable	**148,923**	**-**	**-**	**-**	**-**	**148,923**
Medium Term Notes	**183,898**	**581,368**	**437,890**	**1,192,023**	**2,716,233**	**5,111,412**
Bank Facilities	**45,563**	**781,756**	**-**	**-**	**-**	**827,319**
Capital Index Bonds	**33,641**	**33,641**	**33,734**	**67,283**	**1,251,028**	**1,419,327**
SCACH Redeemable	**50,403**	**50,403**	**50,541**	**100,806**	**1,255,620**	**1,507,773**
SKIES	**42,706**	**42,706**	**42,823**	**85,413**	**734,243**	**947,891**
Derivative financial instruments	**57,445**	**57,445**	**44,449**	**29,004**	**14,475**	**202,818**
Total	**613,045**	**1,547,319**	**609,437**	**1,474,529**	**5,971,599**	**10,215,929**

MAp Consolidated As at 31 December 2008	Less than 1 year $'000	1-2 years $'000	2-3 years $'000	3-5 years $'000	Greater than 5 years $'000	Total $'000
Trade payables	78,240	-	-	-	-	78,240
Distribution Payable	239,935	-	-	-	-	239.935
Medium Term Notes	567,254	133,988	531,714	709,707	3,261,829	5,204,492
Loans from MAp Airports Reset Exchange Securities Trust	806,870	-	-	-	-	806,870
Bank Facilities	496,985	34,919	774,065	-	-	1,305,969
Capital Index Bonds	33,077	33,077	33,077	66,245	1,263,137	1,428,613
SCACH Redeemable	39,272	39,272	39,272	78,651	1,017,588	1,214,055
SKIES	32,619	32,619	32,619	65,327	746,963	910,147
Derivative financial instruments	149,353	109,263	109,263	24,167	52,140	444,186
Total	2,443,605	383,138	1,520,010	944,097	6,341,657	11,632,507

MAT2 Consolidated As at 31 December 2009	Less than 1 year $'000	1-2 years $'000	2-3 years $'000	3-5 years $'000	Greater than 5 years $'000	Total $'000
Trade payables	**254**	**-**	**-**	**-**	**-**	**254**
Loans from MAT1	**130,785**	**130,785**	**131,143**	**261,570**	**1,418,092**	**2,072,375**
Redeemable preference shares issued by MASKS2	**126,957**	**126,957**	**127,305**	**253,914**	**3,489,640**	**4,124,773**
Redeemable preference shares issued by MASKS3	**8,896**	**8,896**	**8,920**	**17,793**	**247,796**	**292,301**
Loans from MAT1	**3,892**	**3,892**	**3,902**	**7,784**	**97,558**	**117,028**
Total	**270,784**	**270,530**	**271,270**	**541,061**	**5,253,086**	**6,606,731**

MAT2 Consolidated As at 31 December 2008	Less than 1 year $'000	1-2 years $'000	2-3 years $'000	3-5 years $'000	Greater than 5 years $'000	Total $'000
Trade payables	133	-	-	-	-	133
Redeemable preference shares issued by MASH	119,659	130,744	130,744	261,846	3,324,850	3,967,843
Loans from MAp Airports Sydney Kingsford Smiths N0.1 Pty Ltd (MASKS1)	5,630	5,630	5,630	11,276	132,849	161,015
Total	125,422	136,374	136,374	273,122	3,457,699	4,128,991

28 Financial Risk Management (continued)

MAT1 Parent As at 31 December 2009	Less than 1 year $'000	1-2 years $'000	2-3 years $'000	3-5 years $'000	Greater than 5 years $'000	Total $'000
Loans from MASKS2	**42,169**	**42,169**	**42,285**	**84,338**	**997,315**	**1,208,276**
Loan from TDT	**47,308**	**47,308**	**47,438**	**94,616**	**1,035,073**	**1,271,743**
Total	**89,477**	**89,477**	**89,723**	**178,954**	**2,032,388**	**2,480,019**

MAT1 Parent As at 31 December 2008	Less than 1 year $'000	1-2 years $'000	2-3 years $'000	3-5 years $'000	Greater than 5 years $'000	Total $'000
Loans from MAREST	806,870	-	-	-	-	806,870
Loans from MAT2	42,549	18,482	18,482	37,015	523,483	640,011
Total	849,419	18,482	18,482	37,015	523,483	1,446,881

At 31 December 2008 and 31 December 2009 MAT2 parent did not have any significant forecast future cashflows.

Capital management

Groups' capital management objectives are to:

- Ensure sufficient capital resources to support the Groups' business and operational requirements
- Safeguard the Groups' ability to continue as a going concern.

Periodic reviews of the Groups' capital requirements are performed to ensure the Groups are meeting their objectives.

Capital is defined as contributed equity plus reserves. As at 31 December 2009 the Groups do not have any externally imposed capital requirements.

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Groups and parent entities is the current bid price.

The fair value of financial instruments that are not actively traded in an active market is determined using valuation techniques. Discounted cash flows, are used to determine fair value for the remaining financial instruments (refer Note 1(d) and 1(x)). The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

As of 1 January 2009, MAp has adopted the amendment to AASB 7 Financial Instruments: Disclosures which requires disclosure of fair value measurements by level of the following fair value measurements hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or directly (derived from prices) (level 2), and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

Financial Report
for year ended 31 December 2009

28 Financial Risk Management (continued)

MAp Consolidated As at 31 December 2009	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Investments in financial assets*	-	-	1,927,025	1,927,025
Listed investments (ASUR)	138,303	-	-	138,303
Derivatives used for hedging	-	751	-	751
Total assets	**138,303**	**751**	**1,927,025**	**2,066,079**
Liabilities				
Derivatives used for hedging	-	61,732	-	61,732
Total liabilities	**-**	**61,732**	**-**	**61,732**

*Excluding ASUR

MAT2 Consolidated As at 31 December 2009	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Investments in financial assets	-	-	4,505,037	4,505,037
Total assets	**-**	**-**	**4,505,037**	**4,505,037**

MAT1 Parent Entity As at 31 December 2009	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Investments in financial assets	-	-	2,928,935	2,928,935
Total assets	**-**	**-**	**2,928,935**	**2,928,935**

MAT2 Parent Entity As at 31 December 2009	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Investments in financial assets	-	-	1,140,674	1,140,674
Total assets	**-**	**-**	**1,140,674**	**1,140,674**

In assessing foreign exchange risk, management has assumed the following movements in the Australian Dollar of +/-21.0% (2008: +/- 14.9%):

Currency pairing	Movement against Australian Dollar 2009	2008
Euro	**13.1%**	10.6%
United States Dollar	**21.2%**	15.3%
Pound Sterling	**10.8%**	8.9%
Japanese Yen	**25.8%**	17.8%
Weighted Average	**21.0%**	14.9%

28 Financial Risk Management (continued)

The below tables display the balances for financial instruments that would be recognised in the income statement for movement of +/- 21.0% (2008: +/- 14.9%) of the Australian dollar. MAp management has determined a +/- 21.0% movement in the Australian dollar to be an appropriate sensitivity following analysis of foreign exchange volatility for relevant currencies over the current year.

MAp Consolidated As at 31 December 2009	Foreign exchange risk 21.0% appreciation of Australian dollar P&L $'000	 21.0% depreciation of Australian dollar P&L $'000
Cash and cash equivalents	**(628)**	**1,299**
Receivables	**(4)**	**7**
Payables	**110**	**(215)**
Derivatives	**-**	**-**
Interest bearing liabilities	**-**	**-**
	(522)	**1,091**

MAp Consolidated As at 31 December 2008	Foreign exchange risk 14.9% appreciation of Australian dollar P&L $'000	 14.9% depreciation of Australian dollar P&L $'000
Cash and cash equivalents	(2,908)	3,597
Receivables	(259)	211
Payables	16	(21)
Derivatives	(48,962)	67,393
Interest bearing liabilities	-	-
	(52,113)	71,180

As at 31 December 2009 MAT2 Group, MAT1 parent and MAT2 parent did not have significant exposure to foreign exchange risk.

In assessing interest rate risk, management has assumed a +/- 135 basis point movement (2008: +/- 115 basis point movement) in interest rates. The below tables display the effect that a +/- 135 basis point interest rate movement would have on the income statement or directly in equity. MAp management has determined a +/- 135 basis point movement to be the appropriate sensitivity following analysis of the interest spreads of comparable debt instruments.

MAp Consolidated As at 31 December 2009	Interest rate risk 135 basis point increase in interest rates depending on country		135 basis point decrease in interest rates depending on country	
	P&L $'000	Equity $'000	P&L $'000	Equity $'000
Cash and cash equivalents	**19,705**	**-**	**(19,705)**	**-**
Interest bearing liabilities	**(8,591)**	**-**	**8,591**	**-**
Derivatives	**(7,747)**	**86,208**	**7,747**	**(90,460)**
	3,367	**86,208**	**(3,367)**	**(90,460)**

MAp Consolidated As at 31 December 2008	Interest rate risk 115 basis point increase in interest rates depending on country		115 basis point decrease in interest rates depending on country	
	P&L $'000	Equity $'000	P&L $'000	Equity $'000
Cash and cash equivalents	36,175	-	(36,175)	-
Interest bearing liabilities	(14,806)	-	14,806	-
Derivatives	(8,908)	113,112	8,903	(119,480)
	12,461	113,112	(12,466)	(119,480)

As at 31 December MAT2 Group, MAT1 parent and MAT2 parent did not have significant exposure to interest rate risk in the current year.

29 Commitments

MAp

Sydney Airport has commitments of $19.0 million (2008: $210.4 million) in relation to capital expenditure.

Sydney Airport has entered into operating leases for the storage and shipment of containers. The lease period expires in 2031 with the present value of the lease commitment at 31 December 2009 amounting to $1,704.0 million (2008: $1,781.6 million). Below are details of the minimum leas e payments in relation to the operating lease payments.

	Consolidated 2009 $'000	Consolidated 2008 $'000
Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:		
Within one year	**78**	78
Later than one year but not later than five years	**311**	311
Later than five years	**1,315**	1,393
	1,704	1,782

MAT2 Group

MAT2 Group has no commitments which are material either individually or as a class.

MAT1 parent

MAT1 parent entity has no commitments which are material either individually or as a class.

MAT2 parent

MAT2 parent entity has no commitments which are material either individually or as a class.

30 Contingent Liabilities and Assets

At 31 December 2009 the Groups and Parent entities have no contingent assets or liabilities which are material either individually or as a class.

31 Events Occurring after Balance Sheet Date

A final distribution of 8.00 cents (2008: 14.00 cents) per stapled security was paid by MAIL (2008: MAT1) on 18 February 2009.

On 17 December 2009 MAp received an exercise notice of a put option in respect of GIF II 3% beneficial interest in Brussels Airport. This put option was triggered as a result of the internalisation of MAp's management. This acquisition reached financial close on 21 January 2010 for total consideration of EUR46.6 million ($75.8 million). This acquisition increases MAp's beneficial interest in Brussels Airport from 36.0% to 39.0%.

Since the end of the year, the directors of the Responsible Entity are not aware of any other matter or circumstance not otherwise dealt with in the financial report that has significantly affected or may significantly affect the operations of the Groups, the results of those operations or the state of affairs of the Groups in years subsequent to the year ended 31 December 2009.

Financial Report
for year ended 31 December 2009

Statement by the Directors of the Responsible Entity of MAT1

In the opinion of the directors of MAp Airports Limited ("the Responsible Entity"), the Responsible Entity of MAT1:

a) the financial statements and notes for MAp Airports (as defined in Note 1(b)) set out on pages 14 to 94 are in accordance with the *Corporations Act 2001*, including:
   i. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   ii. giving a true and fair view of the Group's and the parent's financial position as at 31 December 2009 and of their performance for the financial year ended on that date; and

b) there are reasonable grounds to believe that the Group and the parent will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Max Moore-Wilton
Sydney
24 February 2010

Trevor Gerber
Sydney
24 February 2010

Financial Report
for year ended 31 December 2009

Statement by the Directors of the Responsible Entity of MAT2

In the opinion of the directors of MAp Airports Limited ("the Responsible Entity"), the Responsible Entity of MAT2:

a) the financial statements and notes for MAp Airports Trust 2 set out on pages 14 to 94 are in accordance with the *Corporations Act 2001*, including:
   i. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   ii. giving a true and fair view of the Group's and the parent's financial position as at 31 December 2009 and of their performance for the financial year ended on that date; and

b) there are reasonable grounds to believe that the Group and the parent will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Max Moore-Wilton	**Trevor Gerber**
Sydney	Sydney
24 February 2010	24 February 2010

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999
www.pwc.com/au

Independent auditor's report to the unitholders of MAp Airports Trust 1 and MAp Airports Trust 2

Report on the financial report

We have audited the accompanying financial reports of MAp Airports Trust 1 and MAp Airports Trust 2, which comprise the balance sheets as at 31 December 2009, the statements of comprehensive income, statements of changes in equity and cash flow statements for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statements by the directors for both MAp Airports Trust 1 and MAp Airports Trust 2.. MAp Airports comprises MAp Airports Trust 1 and the entities it controlled during the year which are deemed to include MAp Airports Trust 2 and the entities it controlled during the year and MAp Airports International Limited and the entities it controlled during the year. MAp Airports Trust 2 Group comprises MAp Airports Trust 2 and the entities it controlled during the year.

Directors' responsibility for the financial report

The directors of MAp Airports Limited, the Responsible Entity of the MAp Airports Trust 1 and MAp Airports Trust 2, are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001.*

Auditor's opinion

In our opinion:

(a) the financial reports of MAp Airports Trust 1 and MAp Airports Trust 2 are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of MAp Airports Trust 1, MAp Airports Trust 2, MAp Airports and MAp Airports Trust 2 Group's financial positions as at 31 December 2009 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001;* and

(b) the financial reports also comply with International Financial Reporting Standards as disclosed in Note 1.

PricewaterhouseCoopers

PricewaterhouseCoopers

Wayne Andrews

Wayne Andrews
Partner

Sydney
24 February 2010