

Appendix 4E

Preliminary Final Report

Name of entity: **MAp**

1. Details of the reporting period

Current Period: 1 January 2009 – 31 December 2009

Previous Corresponding Period: 1 January 2008 – 31 December 2008

2. Results for announcement to the market

				\$A'000
2.1	Revenue from continuing operations	up/ down	56.0%	946,377
	Other income	up/ down	90.7%	<u>266,241</u>
	Total revenue and other income from ordinary activities	up/ down	75.8%	1,212,618
2.2	Loss from ordinary activities after tax attributable to members	up/ down	N/A	(572,696)
2.3	Loss for the period attributable to members	up/ down	N/A	(572,696)

2. Results for announcement to the market (continued)

2.4 Dividends / Distributions	Amount per security	Franked amount per security
<i>Current Period:</i> Final distribution for the year ended 31 December 2009	8.00 cents	Nil
Interim distribution for the period ended 30 June 2009	13.00 cents	Nil
<i>Previous Corresponding Period:</i> Final distribution for the year ended 31 December 2008	14.00 cents	Nil
Interim distribution for the period ended 30 June 2008	13.00 cents	Nil
2.5 Record date for determining entitlements to the dividend / distribution	31 December 2009	
<p>2.6 Provide a brief explanation of any of the figures reported above necessary to enable the figures to be understood:</p> <p>The decrease in revenue from continuing activities is primarily due to the deconsolidation of Brussels Airport and Copenhagen Airports in the prior year. MAp consolidated the financial results of both airports up to 5 November 2008, the date MAp lost control of these airports.</p> <p>The current year loss attributable to MAp security holders of \$572.7 million compares to a profit of \$2,070.5 million. Included in the profit in prior year were significant non-recurring items such as a profit on deconsolidation of Brussels and Copenhagen Airports as well their subsequent revaluation from historic cost to their respective fair values. Airport revaluations have no impact on operating performance, cash flows or distributions.</p> <p>Included in the current year loss is the non-recurring termination fee of \$345.0 million paid to Macquarie Group Limited, first announced on 24 July 2009.</p>		

3. Income Statement with notes

Refer attached financial statements

4. Balance Sheet with notes

Refer attached financial statements

5. Cash Flow statement with notes

Refer attached financial statements

6. Statement of Changes in Equity with notes

Refer attached financial statements

7. Details of dividends/distributions

Refer attached financial statements (Directors Report and Note 5) and section 2.4 above.

8. Details of dividend/distribution reinvestment plan

A Distribution and Dividend Reinvestment Plan ("DRP") has been in place for the period ended 31 December 2009. There was no DRP in place for the interim distribution for the period ended 30 June 2009 or for the 31 December 2008 year end distribution.

The market price is calculated as the average of the daily volume weighted average price of MAp stapled securities over the period of ten trading days ending on a day no later than the 5th trading day prior to the scheduled payment date of the distribution. The DRP was implemented for the first time in relation to the final distribution for the year ended 31 December 2003.

A portion of stapled security holders participated in MAp's DRP for the distribution for the period ended 31 December 2009. Of the total distribution paid on 18 February 2010, 8.8% (\$13.1 million) was reinvested in MAp securities, which were acquired on-market.

9. Statement of retained earnings showing movements

Refer attached financial statements (Note 20: Retained Profits)

10. Net tangible assets per security

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security (excluding minority interest)*	\$(0.30)	\$0.12
Asset backing of each stapled security attributable to investments (excluding minority interest)**	\$4.00	\$4.70

* Calculated net of goodwill and other intangibles.

** Refer to attached Management Information Report for basis of calculation.

11. Control gained or lost over entities during the year

11.1 Name of entity (or group of entities) over which control was gained	N/A
11.2 Date control was gained	N/A
11.3 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

11. Control gained or lost over entities during the year (continued)

11.1 Name of entity (or group of entities) over which control was lost	<ul style="list-style-type: none">• N/A
11.2 Date control was lost	<ul style="list-style-type: none">• N/A
11.3 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	<ul style="list-style-type: none">• N/A • N/A

12. Details of associates and joint venture entities

Name of associate entity	MAp's Beneficial Ownership Interest	
	Current period (as at 31 December 2009)	Previous corresponding period (as at 31 December 2008)
Copenhagen Airports S.a r.l ("CASA")	26.9 %	26.9 %
Bristol Airport (Bermuda) Limited ("BABL") *	-	70.9 %
Brussels Airport Investments S.a r.l ("BAISA")	36.0 %	36.0 %

* Following the sale of 68.9% of MAp's interest in BABL in December 2009, BABL no longer meets the definition of an associate.

13. Other significant information

Refer attached financial statements (Directors' Report).

14. Accounting standards used by foreign entities

All consolidated foreign entities prepare financial information under International Financial Reporting Standards which are consistent with Australian Accounting Standards.

15. Commentary on results

	Current period	Previous corresponding period
15.1		
Basic earnings per stapled security	(33.11) cents	120.50 cents
Diluted earnings per stapled security	(33.11) cents	99.37 cents
Basic earnings per stapled security were (33.11) cents for the year (2008: 120.50 cents).		
15.2 Returns to shareholders:	\$A'000	\$A'000
- Distributions	370,693	463,334
<p>MApp paid an interim distribution of 13.00 cents per stapled security (2008: 13.00 cents) and declared a final distribution of 8.00 cents per stapled security (2008: 14.00 cents) in respect of the year to 31 December 2009. The final distribution was paid on 18 February 2010.</p> <p>Refer attached financial statements (Note 5: Distributions Paid and Proposed) and section 2.4 above.</p>		

15.3 Significant features of operating performance:	2009 \$A'000	2008 \$A'000
Income		
Revaluation income	102,541	1,317,194
Interest income – surplus cash	92,518	146,397
Fair value movement on derivative contracts	67,506	-
Fee income	461	10,806
Aeronautical revenue	417,369	1,084,509
Retail revenue	192,734	364,567
Property revenue	118,836	206,967
Rendering of services	108,295	300,366
Net gain from sale of property, plant and equipment	-	-
Net gain from disposal of subsidiaries	-	1,551,055
Gain on redemption of shares	76,979	-
Foreign exchange gains	16,743	-
Other	<u>18,636</u>	<u>35,020</u>
Total revenue and income from ordinary activities	1,212,618	5,016,881
Expenses		
Borrowing costs	583,163	794,573
Responsible Entity and Adviser base fees	26,657	42,595
Tickets redemption expenses	42,884	-
Adviser performance fees	-	1,972
Investment transaction expenses	2,914	3,373
Other administration expenses	6,570	9,077
Adviser's termination fee in relation to MAG restructure	-	118,955
Revaluation expenses	500,401	338,579
Net loss from deconsolidation of subsidiary	-	146,744
Fair value movement on derivative contracts	-	14,727
Staff costs	37,546	298,412
Amortisation and depreciation	284,067	595,914
Internalisation expenses	351,055	-
Other operating expenses	<u>130,530</u>	<u>417,136</u>
Total operating expenses from ordinary activities	<u>1,965,787</u>	<u>2,782,057</u>

15. Commentary on results (continued)

Commentary on significant features of operating performance

Operating performance

The loss from continuing operations after income tax expense of \$615.1 million (2008: \$2,239.6 million profit) primarily reflects the impact of the following:

- Airport operating revenue of \$837.2 million (2008: \$1,956.4 million) and airport operating costs of \$448.2 million (2008: \$1,278.1 million); the decrease in the current year is primarily attributable to the consolidation of Brussels Airport and Copenhagen Airports in the prior year up to 5 November 2008.
- Income from the revaluation of MAP's investments of \$102.5 million (2008: \$1,317.2 million) which comprised:
 - revaluation increment of MAP's interests in ASUR of \$50.6 million (2008: \$54.4 million decrement);
 - revaluation increment of MAP's interest in other airports of \$52.0 million (2008: \$2.8 million);
 - the prior year included revaluation increments of MAP's interest in Brussels Airport of \$561.2 million and MAP's interest in Copenhagen Airports of \$753.2 million. The value of these investments decreased this year by \$138.0 million and \$204.7 million respectively and the amounts are included in operating expenses.
- Interest revenue of \$92.5 million (2008: \$146.4 million) and finance costs of \$583.2 million (2008: \$794.6 million).
- Other income in the year of \$180.3 million (2008: \$1,596.9 million); the decrease in the current year is primarily due to the disposal, in the prior year, of 50% of MAP's interest in Copenhagen Airports S.a.r.l. (formerly Macquarie Airports (Europe) No.2 S.A.), the holding entity for the Copenhagen Airports investment, and 42% of MAP's interest in Brussels Airport Investments S.a.r.l. (BAISA, formerly Macquarie Airports (Brussels) S.A.), the holding entity for the investment in Brussels Airport.
- Responsible Entity and Adviser base and performance fees of \$26.7 million (2008: \$44.6 million). No fees were incurred after the internalisation of MAP management on 15 October 2009.
- Operating expenses from the revaluation of MAP's investments of \$500.4 million (2008: \$338.6 million) which comprised:
 - Revaluation decrement of MAP's interest in Japan Airport Terminal \$49.4 million (2008: \$189.3 million);
 - Revaluation decrement of MAP's interest in Brussels Airport \$138.0 million (2008: \$561.2 million increment);
 - Revaluation decrement of MAP's interest in Copenhagen Airports \$204.7 million (2008: \$753.2 million increment);
 - Revaluation decrement of MAP's interest in Bristol airport of \$104.3 (2008: \$3.0 million
 - Revaluation decrement of MAP's interests in other airports of \$4.1 million (2008: \$91.9 million);
 - The prior year included the revaluation decrement of MAP's investment in ASUR of \$54.4 million. The value of this investment increased in the current year by \$50.6 million and the increase is included in income.
- Expenses related to the redemption of TICKETS of \$42.9 million. All outstanding TICKETS were redeemed on 31 December 2009 and MAP incurred additional expenses to fund the redemption premium;
- Termination fee of the management arrangements with Macquarie of \$345.0 million and other costs relating to the internalisation of management of \$6.1 million.

15.4 Segment results:

Refer attached financial statements (Note 26: Segment Reporting)

15.5 Trends in performance:

Refer to 15.3

15. Commentary on results (continued)

15.6 Other factors

Provide discussion of any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified.

Balance Sheet

Total assets have decreased from \$17,533.5 million in the prior year to \$14,894.9 million at 31 December 2009. This decrease relates primarily the redemption of TICKETS being cash settled and capital injections into Sydney Airport which were used to reduce debt levels.

Total liabilities have decreased from \$10,981.1 million in the prior year to \$8,850.4 million at 31 December 2009. This decrease relates primarily the redemption of TICKETS and reductions in debt levels at Sydney Airport.

At 31 December 2009, total consolidated equity of MAp was \$6,044.5 million (2008: \$6,552.4 million), of which \$560.9 million represents minority interests in SCAAT, IHL and Sydney Airports (2008: \$359.1 million). Total securities cancelled pursuant to a buyback of stapled securities were 7.5 million (2008: 5.0 million) at cost of \$17.6 million (2008: \$9.7 million) net of transaction costs. On 6 November 2009 pursuant to the entitlement offer MAp issued an additional 155.1 million stapled securities raising additional equity of \$356.2 million net of transaction costs.

Cash flows

Cash flows from operating activities have decreased from \$1,150.9 million in the prior year to \$391.0 million for the year ended 31 December 2009. The decrease in the current year is primarily attributable to the reduction in airport revenues as a result of the deconsolidation of Brussels Airport and Copenhagen Airports on 5 November 2008. The decrease can further be attributed to internalisation payments of \$359.5 million in the current year.

Net cash inflows from investing activities of \$929.1 million (2008: outflow of \$230.6 million) primarily reflect cash proceeds from the MAp's divestments in Bristol Airport, \$221.4 million net of cash disposed plus the proceeds from the sale of investments of \$297.5 million and the sale of short term investments held by the TICKETS Defeasance Trust, which were previously not classified as cash but as other financial assets of \$844.7 million less outflows on additional investments of \$122.7 million and a further \$310.0 million on additional fixed assets purchases at the operating airport entities level.

During the year, MAp had net cash outflows from financing activities of \$2,143.0 million (2008: \$1,256.8 million). The outflows primarily reflect distributions paid to MAp security holders of \$461.7 million, repayment of borrowings of \$1,621.1 million, payments of borrowing cost of \$433.0 million, capital raising costs of \$17.6 million and distributions of \$141.6 million that were paid to minority interests. These outflows are partially offset by proceeds from issue of units \$356.7 million, issue of securities to minority interests \$172.9.

16. Audit / review of accounts upon which this report is based

This report is based on accounts to which one of the following applies (tick one):

<input checked="" type="checkbox"/>	The accounts have been audited. (refer attached financial statements)	<input type="checkbox"/>	The accounts have been subject to review. (refer attached financial statements)
<input type="checkbox"/>	The accounts are in the process of being audited or subject to review.	<input type="checkbox"/>	The accounts have not yet been audited or reviewed.

17. Accounts not yet audited or reviewed

N/A

18. Qualification of audit / review

N/A as no qualification