ASX Release

23 July 2010

MAp
FIRST HALF & SECOND QUARTER 2010 RESULTS FOR SYDNEY AIRPORT

MAp today welcomes Sydney Airport's announcement of its results for the six months to 30 June 2010 (see below)[1], reporting EBITDA (earnings before interest, tax, depreciation and amortisation) of A$367.2m (excluding specific expenses), which represents an increase of 12.7% over the previous corresponding period (pcp).

SCACH (A$m)	Q2 2010	Q2 2009	% Change	HY to 30 Jun 2010	HY to 30 Jun 2009	% Change
Revenue	224.0	199.9	+12.1%	452.7	404.5	+11.9%
Cost of Sales	(1.0)	(0.3)	-	(1.2)	(0.7)	-
Operating costs	(42.8)	(39.4)	+8.6%	(84.2)	(78.0)	+7.9%
EBITDA (before specific expenses)	**180.2**	**160.2**	**+12.5%**	**367.2**	**325.8**	**+12.7%**
Specific expenses	-	(0.2)	-	-	(0.5)	-
EBITDA	**180.2**	**160.0**	**+12.6%**	**367.2**	**325.4**	**+12.9%**

MAp CEO, Ms Kerrie Mather, said, "Sydney Airport has again delivered a very strong result, with EBITDA growth of 12.7% for the first half of 2010, outperforming traffic growth of 9.4%. This excellent performance was driven by double digit growth in domestic capacity and materially higher load factors on international routes, enhanced by commercial initiatives such as the enhanced retail offering in the International Terminal redevelopment.

[1] Results based on unaudited management accounts.

“Sydney Airport is seeing the benefit of the A$1.7 billion investment made since 2002 to support growth and meet passenger needs at the domestic and international terminals. The recent completion of the International Terminal redevelopment and the runway safety areas represent significant milestones for passengers and airlines travelling through Sydney. Completion of the ground power and preconditioned air project will help airlines to reduce turnaround costs and greenhouse emissions. Sydney Airport also recently welcomed the opening of the new Qantas Domestic Transfer Facility at the International Terminal, which provides a faster seamless transfer for Qantas passengers. A further A$1.0 billion has been earmarked by Sydney Airport for ongoing investment over the next five years, in line with airlines’ priorities.

“The redesign and upgrade of Sydney Airport’s services and facilities is delivering great value for the 90,000 passengers who travel through Sydney daily. The new retail mix on offer at Sydney Airport delivered a double digit growth in total retail revenue well ahead of international traffic growth in particular. Passengers are now able to enjoy even more world class retailers, such as Pandora and Australia’s first Victoria’s Secret as well as a wider range of restaurant choices. In addition, a free parking time band was introduced at the International Terminal’s car park, further enhancing passenger convenience.

“Another milestone was reached in the period with Sydney Airport’s first unwrapped capital markets issue of A$175 million, which positions the airport well ahead of its September 2011 debt maturities,” Ms Mather added.

Other key points to note from the results include:

- Total revenues increased by 11.9% in the first half of 2010 over the pcp to A$452.7 million. Aeronautical revenues increased by 17.6% reflecting significant capital investment and strong passenger growth.
- Retail revenue increased by 12.2% for the first half of 2010 to A$102.6 million. The increase of 14.5% in the second quarter is well ahead of the 5.8% international traffic growth (excluding domestic on-carriage) in the same period. The strong result only partially reflects the roll out of the new retail and flagship duty free stores at the International Terminal.
- Total operating expenses excluding recoverable security expenses and specific non-recurring expenses for the first half of 2010 increased by 9.2% over pcp to $56.0 million, reflecting lower management incentive payments in the pcp and reduced accrual of annual leave also in the pcp. The increase also reflects increased services and utilities costs corresponding with the opening of the T1 Redevelopment. Total

operating expenses per passenger excluding recoverable security expenses and specific non-recurring expenses were flat at A$3.28 per passenger.

- Security costs increased by 5.6% for the first half of 2010. This growth rate was not duplicated in aeronautical security revenue due to the end in the recovery profile of some security capital assets.
- Total capital expenditure was A$52.0 million in the first half reflecting the completion of the runway safety works and International Terminal redevelopment, and start of new projects, such as the construction of the central terrace building, new signage and information screens at the International Terminal. The second half will see the roll out of a number of runway redevelopment projects, including resheets and realignments and well as the acceleration of the central terrace building project.

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Media Release

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23 July 2010

First Half 2010 Financial Results for Sydney Airport

Sydney Airport[1] today announced a 12.7 per cent increase in EBITDA (excluding specific non-recurring expenses) for the half year to 30 June 2010.

Sydney Airport today announced an unaudited consolidated profit before depreciation and amortisation, net financing costs, income tax, and specific non-recurring expenses (EBITDA excluding specific non-recurring expenses) of A$367.2 million for the half year to 30 June 2010 (HY CY2009: A$325.8 million). EBITDA (including specific non-recurring expenses) also increased to A$367.2 million (HY CY2009: A$325.4 million).

EBITDA (excluding specific non-recurring expenses) for the first half to 30 June 2010 increased by 12.7 per cent over the previous corresponding period (pcp). EBITDA (including specific non-recurring expenses) increased by 12.9 per cent on the pcp.

Sydney Airport's Chief Executive Officer, Russell Balding, said that the airport had achieved an outstanding result, with EBITDA excluding specific non-recurring expenses continuing to outperform passenger growth.

"The 12.7 per cent increase in EBITDA (excluding specific non-recurring expenses) was achieved with a 9.4 per cent increase in traffic on the pcp for the first half of the year. Total revenue growth of 11.9 per cent over the pcp was mainly driven by strong passenger traffic."

"This period marks the completion of a significant investment phase and forms part of the $1.7 billion investment that Sydney Airport has made since 2002. International travellers will enjoy a significantly improved travel experience following the upgrade of the International Terminal. Sydney Airport also completed its $100 million runway safety project."

"It's particularly pleasing to welcome the launch of Qantas' new Domestic Transfer Facility which provides a purpose built and materially expanded area to facilitate the seamless transfer of Qantas passengers transferring between international and domestic flights. The launch of Qantas' new Domestic Transfer Facility represents a significant investment from both Sydney Airport and Qantas."

"June also saw the introduction of a free 15 minutes time band at the International Terminal's car park which has been well received. This initiative follows the successful changes made to the T2 Domestic pick-up area in September 2009. Along with the recent upgrades to the International Terminal, this new initiative will improve the experience for travellers and their friends and family at Sydney Airport."

"During the quarter Sydney Airport issued $175 million of 5 year bonds, its first unwrapped issue. The bonds were well received by the market and the proceeds will be used to retire existing debt. Sydney Airport is well positioned to address its refinancing needs ahead of its 2011 and 2012 debt maturities," Mr Balding said.

1. Southern Cross Airports Corporation Holdings Limited is the parent company of Sydney Airport Corporation Limited.

Revenue

Total revenue from all business units rose 11.9 per cent over pcp to A$452.6 million (HY CY2009: A$404.5 million).

The first half of the year saw a continuation of strong traffic growth of 9.4 per cent overall. Growth continues to be largely driven by substantial increases in Australian outbound demand, supported by strong increases from some key inbound markets including New Zealand, US, China and Korea.

Retail revenue for the quarter continues to be supported by strong passenger growth and the official unveiling of the new selection of world-class retailers at the International Terminal, which includes Thomas Sabo, L'Occitane, Tigerlily, R.M.Williams, Pandora and Australia's first Victoria's Secret outlet. Passengers have also been able to enjoy the arrival of new food and beverage outlets, such as Black Tonic and Montreux Jazz Café. The terminal layout and retail mix at the redeveloped terminal was the product of significant customer research to ensure a tenancy mix which responds to the demands of both passengers and airline customers. This customer focussed planning is being reflected in the recent positive passenger satisfaction ratings.

Ground transport and commercial services revenues continued to benefit from the traffic recovery and new product innovations, such as E-Park.

Property revenue growth was solid in the quarter reflecting the low level of vacancies. During the quarter, construction of the Central Terrace Building commenced. This is a nine storey 9,000m2 building in the international precinct underpinned by a lease pre-commitment from a major government agency.

Operating Expenses

Operating expenses continue to be managed closely. Total operating expenses excluding recoverable security expenses and specific non-recurring expenses increased by 9.2 per cent over pcp to A$56.0 million (HY CY2009: A$51.2 million).

A significant component of the increase in labour costs in the first half relate to lower management incentive payments in the pcp and a programme to reduce accrued annual leave also in the pcp, with the remaining increase largely due to CPI-based salary reviews. The increase in services and utilities costs is primarily due to increased expenses associated with redevelopment of the International Terminal.

Total operating expenses per passenger excluding recoverable security expenses and specific non-recurring expenses are flat and remain at A$3.28 per passenger (HY CY2009: A$3.28 per passenger). Whilst security expenses rose by 5.6 per cent, this was not replicated in aeronautical security revenue due to the end in the recovery profile of some security capital assets.

Total operating expenses including specific non-recurring expenses increased by 7.3 per cent on pcp to A$84.2 million (HY CY2009: A$78.4 million) which is higher than full year cost growth expectations.

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Capital Expenditure

Total capital expenditure decreased 67.4 per cent on pcp to A$52.0 million (HY CY2009: A$159.7 million). A number of important airfield projects are all planned to commence later in the year. The decline in capital expenditure compared to the pcp is primarily attributed to the redevelopment of the International Terminal and runway safety area works, as these projects were completed in the quarter. The principal items of spend in the quarter related to the completion of these projects but also to the commencement of the Central Terrace Building and the new 11 metres by 3 metres flight and customer information screen in the International Terminal.

Attachment: Financial Highlights

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SYDNEY AIRPORT FINANCIAL HIGHLIGHTS

Thousands	Q2 2010 SCACH Group	Q2 2009 SCACH Group	% change	CY 2010 SCACH Group	CY 2009 SCACH Group	% change
Quarter / Year to date - from:	01-Apr-10	01-Apr-09		01-Jan-10	01-Jan-09	
Quarter / Year to date - to:	30-Jun-10	30-Jun-09		30-Jun-10	30-Jun-09	
Revenues						
Aeronautical	92,406	78,665	17.5%	187,515	159,431	17.6%
Aeronautical security recovery	18,245	17,969	1.5%	36,063	36,032	0.1%
Retail	51,187	44,687	14.5%	102,620	91,449	12.2%
Property and car rental	35,049	34,024	3.0%	72,294	68,606	5.4%
Ground transport and commercial services	25,878	23,316	11.0%	51,653	46,535	11.0%
Other	1,248	1,247	0.1%	2,478	2,460	0.7%
Total revenues	**224,013**	**199,908**	**12.1%**	**452,623**	**404,513**	**11.9%**
Cost of sales	1,043	288		1,240	715	
Other income						
Profit on sale / (loss on disposal) of non current assets	0	0		28	0	
Operating expenses						
Labour	10,288	9,372	9.8%	19,992	17,373	15.1%
Services and utilities	23,952	22,058	8.6%	47,427	44,875	5.7%
Other operational costs	3,454	3,576	-3.4%	7,231	7,139	1.3%
Property and maintenance	5,105	4,413	15.7%	9,529	8,608	10.7%
Specific expenses:	0	192		0	450	
Total operating expenses before specific expenses	**42,798**	**39,419**	**8.6%**	**84,179**	**77,994**	**7.9%**
Total operating expenses	**42,798**	**39,610**	**8.0%**	**84,179**	**78,445**	**7.3%**
EBITDA before specific expenses	**180,172**	**160,202**	**12.5%**	**367,232**	**325,804**	**12.7%**
EBITDA	**180,172**	**160,010**	**12.6%**	**367,232**	**325,353**	**12.9%**
Capital expenditure	**21,212**	**82,818**	**-74.4%**	**52,022**	**159,713**	**-67.4%**
$ per passenger measures						
Revenue	26.92	26.28	2.4%	26.52	25.93	2.3%
Operating expenses before specific expenses	5.14	5.18	-0.7%	4.93	5.00	-1.3%
Operating expenses	5.14	5.21	-1.2%	4.93	5.03	-1.9%
EBITDA before specific expenses	21.65	21.06	2.8%	21.52	20.89	3.0%
EBITDA	21.65	21.03	2.9%	21.52	20.86	3.2%
Capex	2.55	10.89	-76.6%	3.05	10.24	-70.2%

Note

1. Car rental has been reclassified from Ground transport and commercial services to Property and car rental.
2. Commercial trading has been renamed as Ground transport and commercial services.