



ASX Release

22 October 2010

MAp NINE MONTH & THIRD QUARTER 2010 RESULTS FOR SYDNEY AIRPORT

MAp today welcomes Sydney Airport's announcement of its results for the nine months to 30 September 2010 (see below)¹, reporting EBITDA (earnings before interest, tax, depreciation and amortisation) of A\$567.4m (excluding specific expenses), which represents an increase of 14.2% over the previous corresponding period (pcp).

SCACH (A\$m)	Q3 2010	Q3 2009	% Change	YTD 30 Sep 2010	YTD 30 Sep 2009	% Change
Revenue	240.3	212.1	+13.3%	693.0	616.6	+12.4%
Cost of Sales	(0.8)	(1.4)	-43.1%	(2.1)	(2.2)	-4.6%
Operating costs	(39.4)	(39.6)	-0.5%	(123.5)	(117.5)	+5.1%
EBITDA (before specific expenses)	200.1	171.1	+17.0%	567.4	496.9	+14.2%
Specific expenses	(0.1)	(0.1)	-	(0.1)	(0.5)	-
EBITDA	200.0	171.0	+16.9%	567.2	496.4	+14.3%

MAp CEO, Ms Kerrie Mather, said, "Sydney Airport has delivered another outstanding result, with EBITDA growth of 14.2% for the first nine months of 2010 on the pcp. This has been achieved through a combination of strong traffic growth, commercial expansion and solid cost management.

¹ Results based on unaudited management accounts.

"Year to date traffic growth stands at 9.0%, with the strong Australian dollar contributing to outbound travel demand. Sydney Airport continues to attract new airlines and services. During the third quarter, Air Mauritius started services to its home base and Etihad Airways and V Australia announced a co-operation agreement that will see V Australia operating on the Sydney-Abu Dhabi route from February 2011, creating a combined double daily service. Brindabella Airlines became Sydney's newest regional airline, commencing Sydney-Cobar services in September and Aeropelican announced it would operate year round Sydney-Snowy Mountains (Cooma) services.

"Further capacity additions from airlines including the Qantas group. Singapore Airlines, Cathay Pacific, Malaysia Airlines, Garuda, China Southern, China Eastern, Air China and United Airlines are expected by year end.

"The strong traffic performance also supported retail revenue with 11.7% growth year to date. The redeveloped retail offering and environment in the International Terminal continues to be well received by passengers. The introduction of a 15 minutes free parking band at the International Terminal has been welcomed by airport users and is proving a popular innovation. Property revenue benefited in the third quarter from the successful resolution of a number of commercial negotiations however underlying growth is a solid 5% year to date.

"Excellent cost discipline continues, with per passenger costs declining 3.4% year to date (excluding recoverable security costs and specific expenses). Third quarter operating expenses did benefit from a number of non-recurring items.

"An important recent milestone is the successful refinancing of Sydney Airport's 2011 and 2012 term debt maturities. We were very pleased by the support from both existing and new lenders and, as a result, the airport has both diversified its sources of funding and lengthened its maturity profile. Sydney now has no term debt maturities until October 2013," Ms Mather concluded.

Other key points to note from the results include:

- Total revenues increased by 12.4% to A\$693.0m for the first nine months of 2010. Third quarter revenues benefited from approximately A\$3.4m in non-recurring items across the aeronautical and property lines.
- Aeronautical revenues and aeronautical security recovery revenues increased by 14.3% to A\$343.4m for the first nine months of 2010 reflecting the completion of significant investment projects coupled with strong passenger growth.
- Retail revenue increased by 11.7% for the first nine months of 2010 to A\$156.2 million, ahead of international traffic growth of 8.5%. Underlying growth in property and car rental revenue was approximately 5%.
- Total operating expenses (excluding specific items) increased 5.1% to A\$123.5m for the first nine months of 2010. Excluding recoverable security expenses, operating expenses (excluding specific items) declined by 3.4% on a per passenger basis. Overall operating expenses benefited in the third quarter from approximately A\$2.6m of non-recurring items.
- Following successful completion of two major projects – the International Terminal redevelopment and the runway safety works – year to date capital expenditure has been A\$82.4m.

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Media Release

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Nine Months 2010 Financial Results for Sydney Airport

Sydney Airport¹ today announced a 14.2 per cent increase in earnings before depreciation and amortisation, net financing costs and income tax (excluding specific non-recurring expenses) for the nine months to 30 September 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\$567.4 million for the nine months to 30 September 2010 (YTD CY2009: A\$496.9 million). EBITDA (including specific non-recurring expenses) increased to A\$567.2 million (YTD CY2009: A\$496.4 million).

EBITDA (excluding specific non-recurring expenses) for the nine months to 30 September 2010 represents a 14.2 per cent increase over the previous corresponding period (pcp). EBITDA (including specific non-recurring expenses) increased by 14.3 per cent on the pcp.

Sydney Airport's Chief Executive Officer, Russell Balding, said that the airport had achieved an excellent result in the first nine months driven by a combination of strong passenger growth, commercial expansion and cost control. The results for the third quarter were particularly impressive, with EBITDA before specifics exceeding A\$200 million for the first time. In addition, the month of September saw the airport average in excess of 100,000 passengers per day for the first time.

"Sydney Airport continues to attract new airlines and services. During the quarter, Air Mauritius commenced a new service which provides travellers with direct flights to Mauritius and onto their extensive network of destinations. Etihad Airways and V Australia also announced a new partnership that will see the entry of V Australia on the Sydney - Abu Dhabi market increasing overall services to double-daily from February 2011."

"Sydney Airport has indicated its disappointment at the ACCC's decision not to allow a CPI increase for regional aeronautical fees. These charges have not changed since 2000 and Sydney Airport will be documenting the outcome in its submission to the Productivity Commission's forthcoming review of the economic regulation of Australia's airports. Despite the decision, Sydney Airport will continue to work with airlines to expand regional route networks and in this regard Brindabella Airlines became Sydney Airport's newest regional airline when it commenced its Sydney-Cobar service in September. Aeropelican also announced it would operate an all year round service on its Sydney-Snowy Mountains (Cooma) service."

"Sydney Airport has successfully completed the re-finance of its 2011 and 2012 term debt maturities and was very pleased to see strong support from both new and existing lenders. The airport now has no term debt maturing until October 2013," Mr Balding said.

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

Revenue

For the first nine months, total revenue from all business units rose 12.4 per cent over pcp to A\$692.9 million (YTD CY2009: A\$616.5 million).

Additional international capacity is expected by year end from airlines including the Qantas group, Singapore Airlines, Cathay Pacific, Malaysia Airlines, Garuda, China Southern, China Eastern, Air China and United Airlines. The high value of the Australian dollar is contributing to strong Australian outbound traffic growth.

Retail revenue for the quarter continued to be supported by solid passenger growth following the opening of the T1 redevelopment in June. The redeveloped retail environment continues to be well received by passengers.

Ground transport and commercial services revenues also benefited from the strong traffic growth. The new 15 minutes free parking at the International Terminal has proven to be a welcome innovation and is popular with customers.

Property revenue benefited from the successful resolution of commercial negotiations in the quarter. The year to date underlying growth rate is approximately 5 per cent on a normalised basis. Construction of the Central Terrace Building is proceeding on schedule and is expected to be completed by mid 2011.

Total revenue benefited from non-recurring items of \$3.4 million in the quarter, occurring across aeronautical and property revenues.

Operating Expenses

Operating expenses continue to be tightly controlled and benefited from non-recurring benefits of \$2.6 million in the quarter. For the first nine months, total operating expenses excluding recoverable security expenses and specific non recurring expenses increased by 5.3 per cent over pcp to A\$81.2 million (YTD CY2009: A\$77.2 million). Total operating expenses per passenger excluding recoverable security expenses and specific non-recurring expenses decreased by 3.4 per cent to A\$3.11 per passenger (YTD CY2009: A\$3.22 per passenger), mainly attributed to strong passenger traffic.

Total operating expenses including specific non-recurring expenses increased by 4.8 per cent on pcp to A\$123.7 million (YTD CY2009: A\$118.1 million).

Capital Expenditure

For the first nine months, total capital expenditure decreased by 64.1 per cent on pcp to A\$82.4 million (YTD CY2009: A\$229.9 million). The decline in capital expenditure compared to the pcp is primarily attributed to the completion of two major projects; redevelopment of the International Terminal and runway safety works.

Attachment: Financial Highlights

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SYDNEY AIRPORT FINANCIAL HIGHLIGHTS

Thousands	Q3 2010 SCACH Group	Q3 2009 SCACH Group	% change	CY 2010 SCACH Group	CY 2009 SCACH Group	% change
	01-Jul-10 30-Sep-10	01-Jul-09 30-Sep-09		01-Jan-10 30-Sep-10	01-Jan-09 30-Sep-09	
Quarter / Year to date - from:						
Quarter / Year to date - to:						
Revenues						
Aeronautical	101,813	86,325	17.9%	289,328	245,756	17.7%
Aeronautical security recovery	18,004	18,529	-2.8%	54,066	54,561	-0.9%
Retail	53,601	48,383	10.8%	156,221	139,832	11.7%
Property and car rental	38,079	31,737	20.0%	110,374	100,343	10.0%
Ground transport and commercial services	27,435	25,801	6.3%	79,088	72,336	9.3%
Other	1,315	1,249	5.3%	3,793	3,710	2.3%
Total revenues	240,247	212,025	13.3%	692,870	616,538	12.4%
Cost of sales	823	1,447		2,063	2,162	
Other income						
Profit on sale / (loss on disposal) of non current assets	69	75		97	75	
Operating expenses						
Labour	9,288	9,367	-0.8%	29,279	26,739	9.5%
Services and utilities	21,754	23,306	-6.7%	69,181	68,180	1.5%
Other operational costs	3,750	2,594	44.5%	10,981	9,734	12.8%
Property and maintenance	4,579	4,285	6.8%	14,108	12,894	9.4%
Specific expenses:	146	64		146	515	
Total operating expenses before specific expenses	39,370	39,552	-0.5%	123,549	117,547	5.1%
Total operating expenses	39,516	39,617	-0.3%	123,695	118,061	4.8%
EBITDA before specific expenses	200,123	171,100	17.0%	567,355	496,904	14.2%
EBITDA	199,978	171,036	16.9%	567,209	496,389	14.3%
Capital expenditure	30,411	70,203	-56.7%	82,433	229,916	-64.1%
\$ per passenger measures						
Revenue	26.54	25.35	4.7%	26.53	25.73	3.1%
Operating expenses before specific expenses	4.35	4.73	-8.0%	4.73	4.91	-3.6%
Operating expenses	4.37	4.74	-7.9%	4.74	4.93	-3.9%
EBITDA before specific expenses	22.11	20.46	8.0%	21.72	20.74	4.8%
EBITDA	22.09	20.45	8.0%	21.72	20.72	4.8%
Capex	3.36	8.40	-60.0%	3.16	9.60	-67.1%

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.