



## ASX Release

20 January 2010

### MAp

#### FOURTH QUARTER & FULL YEAR 2010 RESULTS FOR SYDNEY AIRPORT

MAp welcomes the announcement of Sydney Airport's results for the year to 31 December 2010 (see below)<sup>1</sup>, reporting EBITDA (earnings before interest, tax, depreciation and amortisation) of A\$773.3m (excluding specific expenses), which represents an increase of 12.0% over the previous corresponding period (pcp).

SCACH (A\$m)	Q4 2010	Q4 2009	% Change	Yr to 31 Dec 2010	Yr to 31 Dec 2009	% Change
Revenue	250.1	236.7	+5.7%	943.0	853.2	+10.5%
Cost of Sales	(0.7)	(0.9)	-19.3%	(2.8)	(3.1)	-8.9%
Operating costs	(43.5)	(42.6)	+2.0%	(167.0)	(160.1)	+4.3%
<b>EBITDA (before specific expenses)</b>	<b>206.0</b>	<b>193.2</b>	<b>+6.6%</b>	<b>773.3</b>	<b>690.2</b>	<b>+12.0%</b>
Specific expenses	(0.1)	(0.3)	-	(0.3)	(0.8)	-
<b>EBITDA</b>	<b>205.8</b>	<b>192.9</b>	<b>+6.7%</b>	<b>773.0</b>	<b>689.3</b>	<b>+12.1%</b>

MAp CEO, Ms Kerrie Mather, said "Sydney Airport has delivered an outstanding performance for 2010. EBITDA growth of 12% has been driven by the completion of a significant multi-year investment program across the business, solid increases across all revenue streams and strong traffic growth.

<sup>1</sup> Results based on unaudited management accounts.

"Ongoing cost discipline has resulted in improved margins and contributed to the strong result as conditions steadily improved through the year following the impact of the Global Financial Crisis in 2009. During 2010, per passenger costs declined by 3.7%, excluding recoverable security costs and specific expenses.

"2010 saw the completion of two major projects including the redevelopment of the International Terminal and runway safety works. Passengers and airlines continue to benefit from the improved services and facilities provided through the International Terminal redevelopment.

"Retail revenue for the year grew 10.5%, driven by 7.8% passenger growth and new retail offerings in the International Terminal. Increases in specialist shops and food & beverage have been particularly pleasing. Most recently, a Travel Concierge facility opened in the International Terminal Arrivals area in time for Christmas to provide inbound passengers with a range of accommodation and event bookings services.

"Ground transport and commercial services revenues grew by 7.9% for the year reflecting the strong traffic growth. Passengers have responded positively to several new initiatives including an upgrade of the taxi holding area and introduction of 15 minutes' free parking at the International Terminal.

"In 2010, Sydney Airport successfully completed the refinancing of approximately \$1.9 billion of senior debt. This included a debut unwrapped AUD bond issue and the first ever issue by an airport in the US144a market. Sydney Airport now has no debt maturities until the final quarter of 2013.

"During 2010, Sydney Airport continued to welcome new airlines and services including Air Mauritius and Brindabella Airlines. Capacity increases are set to continue with Hainan's commencement of services between Sydney, Shenzhen and Hangzhou this month and Qantas' Sydney-Dallas/Fort Worth service beginning in May. This brings the number of North American destinations served non-stop from Sydney to five, the most extensive North American network of any Australian airport. Sydney Airport is well positioned to grow traffic and develop new markets in 2011 based on a solid pipeline of announced new routes and services."

Other key points to note from the results include:

- Total revenues increased by 10.5% to A\$943.0m for the year to 31 December 2010. Fourth quarter revenues benefited from approximately A\$3.0m in non-recurring property revenues.
- Aeronautical revenues and aeronautical security recovery revenues increased by 12.1% to A\$468.0m for the year to 31 December 2010 reflecting the completion of significant investment projects coupled with strong passenger growth. Retail revenue increased by 10.5% for the year to 31 December 2010 to A\$212.9m, ahead of international traffic growth of 6.9%. Performance was particularly strong from the specialist shops and food & beverage operations. Underlying growth in property and car rental revenue was approximately 5% in 2010.
- Total operating expenses (excluding specific items) increased 4.3% to A\$167.0m for the year to 31 December 2010. The comparison with the pcp is impacted by \$2.6m of non-recurring benefits in the third quarter of 2010 and \$1.1m of incentive savings in the first quarter of 2009. Excluding recoverable security expenses, operating expenses (excluding specific items) declined by 3.7% on a per passenger basis.
- Following successful completion of two major projects – the International Terminal redevelopment and the runway safety works – capital expenditure for the full year was A\$136.4m.

For further information, please contact:

**Hugh Wehby**

Manager Investor Relations

Tel: +612 9237 3316

Mob: +61 427 992 538

Email: [hugh.wehby@mapairports.com.au](mailto:hugh.wehby@mapairports.com.au)

**Louisa Aherne**

Corporate Affairs Manager

Tel: +612 9237 3317

Mob: +61 428 822 375

Email: [louisa.aherne@mapairports.com.au](mailto:louisa.aherne@mapairports.com.au)

# Media Release

[www.sydneyairport.com](http://www.sydneyairport.com)

20 January 2011



## Year to December 2010 Financial Results for Sydney Airport

**Sydney Airport<sup>1</sup> today announced a 12.0 per cent increase in earnings before depreciation and amortisation, net financing costs, income tax and specific non-recurring expenses for the year to 31 December 2010.**

Sydney Airport's unaudited consolidated profit before depreciation and amortisation, net financing costs, income tax, and specific non-recurring expenses (EBITDA excluding specific non-recurring expenses) was A\$773.3 million for the year to 31 December 2010 (CY2009: A\$690.2 million). EBITDA including specific non-recurring expenses increased to A\$773.0 million (CY2009: A\$689.3 million).

EBITDA (excluding specific non-recurring expenses) for the year to 31 December 2010 represents a 12.0 per cent increase over the previous corresponding period (pcp). EBITDA (including specific non-recurring expenses) increased by 12.1 per cent on the pcp.

Sydney Airport's Chief Executive Officer, Russell Balding, said "Sydney Airport achieved an outstanding result for the year to 31 December 2010, with strong passenger growth demonstrating the significant appeal of Sydney Airport as the gateway to Australia."

"Throughout 2010, Sydney Airport continued to provide improved facilities and services for passengers with the upgrade of the International Terminal, offering a larger variety of dining, shopping and relaxation options. Ongoing development of ground transport alternatives during the year included upgrades to the international taxi holding areas and the introduction of 15 minutes free for picking-up at the International Terminal, which has received an overwhelmingly positive response from passengers."

"During the quarter, Sydney Airport welcomed the launch of new airline services including a second daily A380 Sydney-Singapore service from Singapore Airlines, making it easier for passengers to travel to the airline's hub and onto an extensive network of destinations."

"Sydney Airport continues to welcome new airlines and congratulates Hainan Airlines on the commencement of its service between Sydney, Shenzhen and Hangzhou. The arrival of Hainan Airlines means that there are now five Chinese airlines flying to Sydney, which reflects the attractiveness of Sydney Airport and its global appeal for business and leisure travellers."

"The growth in the Chinese market over recent years has been very strong. The number of Chinese arrivals into Sydney has nearly doubled from 147,148 in 2004 to 282,641 in 2010. The 2010 figures on flights to China, including both Australian outbound and Chinese inbound, show exceptional growth at 26.2 per cent over 2009," Mr Balding said.

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

## Revenue

Total revenue from all areas of the business rose 10.5 per cent over the pcp to A\$943.0 million (CY2009: A\$853.2 million).

The three months to December was the best quarter on record with an average of 103,000 passengers using the airport daily. During the quarter, China Southern introduced a double daily service, China Eastern upgraded its service to daily and Garuda Indonesia also introduced a daily service to Jakarta.

While the strength of the Australian dollar and the robust domestic economy continued to benefit Australian outbound international traffic, Sydney Airport also saw healthy inbound growth from China, Korea and Japan.

Retail revenue for the quarter continued to be supported by solid passenger growth following the opening of the International Terminal redevelopment in June. Further redevelopment and upgrading is now being undertaken in the International Terminal Arrivals area, including the opening of the new Travel Concierge facility, which improves the inbound passenger offering including a new range of services such as accommodation and event bookings.

Ground transport and commercial services revenues also benefited from the strong traffic growth and incremental capacity.

Property and car rental revenue performed strongly and was supported by non-recurring income of A\$3.0 million in the quarter associated with the finalisation of commercial negotiations. During the quarter, agreement was reached with KFC for the construction of a new drive through facility and construction of the Central Terrace Building remains on schedule for completion in mid 2011.

Other income benefited in the pcp by A\$2.4 million associated with gains on assets. Excluding one-off items, total revenues increased by 10.1 per cent over the pcp.

## Operating Expenses

Total operating expenses excluding recoverable security expenses and specific non recurring expenses increased by 3.8 per cent over pcp to A\$109.4 million (CY2009: A\$105.3 million). Total operating expenses per passenger excluding recoverable security expenses and specific non-recurring expenses decreased by 3.7 per cent to A\$3.08 per passenger (CY2009: A\$3.19 per passenger), attributed to continued cost control despite strong passenger traffic.

Total operating expenses including specific non-recurring expenses increased by 3.9 per cent on pcp to A\$167.3 million (CY2009: A\$161.0 million).

Adjusted for one-off items, total operating expenses including specific non-recurring expenses increased by 4.8 per cent over pcp.

## Capital Expenditure

Total capital expenditure was A\$136.4 million for the year reflecting the completion of two major projects in the first half of 2010 including redevelopment of the International Terminal and runway safety works.

## Attachment: Financial Highlights

---

Issued by Sydney Airport, Public Affairs

Further information:

Michael Samaras    Ph: 02 9667 6470    Mobile: 0437 033 479

## SYDNEY AIRPORT FINANCIAL HIGHLIGHTS

Thousands	Q4 2010 SCACH Group Quarter / Year to date - from: 01-Oct-10 Quarter / Year to date - to: 31-Dec-10	Q4 2009 SCACH Group 01-Oct-09 31-Dec-09	% change	CY 2010 SCACH Group 01-Jan-10 31-Dec-10	CY 2009 SCACH Group 01-Jan-09 31-Dec-09	% change
<b>Revenues</b>						
Aeronautical	105,353	97,936	7.6%	394,682	343,692	14.8%
Aeronautical security recovery	19,250	19,116	0.7%	73,316	73,677	-0.5%
Retail	56,669	52,902	7.1%	212,890	192,734	10.5%
Property and car rental	39,641	36,342	9.1%	150,015	136,685	9.8%
Ground transport and commercial services	28,056	26,963	4.1%	107,144	99,299	7.9%
Other	1,168	3,398	-65.6%	4,961	7,108	-30.2%
<b>Total revenues</b>	<b>250,137</b>	<b>236,658</b>	<b>5.7%</b>	<b>943,007</b>	<b>853,196</b>	<b>10.5%</b>
<b>Cost of sales</b>	<b>721</b>	<b>895</b>		<b>2,785</b>	<b>3,057</b>	
<b>Other income</b>						
Profit on sale / (loss on disposal) of non current assets	0	76		97	151	
<b>Operating expenses</b>						
Labour	9,820	9,295	5.6%	39,100	36,034	8.5%
Services and utilities	24,370	24,109	1.1%	93,551	92,289	1.4%
Other operational costs	4,158	3,926	5.9%	15,139	13,660	10.8%
Property and maintenance	5,117	5,262	-2.8%	19,225	18,156	5.9%
Specific expenses:	117	324		262	839	
<b>Total operating expenses before specific expenses</b>	<b>43,465</b>	<b>42,592</b>	<b>2.0%</b>	<b>167,015</b>	<b>160,139</b>	<b>4.3%</b>
<b>Total operating expenses</b>	<b>43,582</b>	<b>42,916</b>	<b>1.6%</b>	<b>167,277</b>	<b>160,978</b>	<b>3.9%</b>
<b>EBITDA before specific expenses</b>	<b>205,950</b>	<b>193,247</b>	<b>6.6%</b>	<b>773,305</b>	<b>690,151</b>	<b>12.0%</b>
<b>EBITDA</b>	<b>205,833</b>	<b>192,923</b>	<b>6.7%</b>	<b>773,043</b>	<b>689,312</b>	<b>12.1%</b>
<b>Capital expenditure</b>	<b>53,926</b>	<b>68,767</b>	<b>-21.6%</b>	<b>136,359</b>	<b>298,683</b>	<b>-54.3%</b>
<b>\$ per passenger measures</b>						
Revenue	26.49	26.19	1.1%	26.52	25.86	2.6%
Operating expenses before specific expenses	4.60	4.71	-2.4%	4.70	4.85	-3.2%
Operating expenses	4.61	4.75	-2.8%	4.70	4.88	-3.6%
EBITDA before specific expenses	21.81	21.39	2.0%	21.75	20.92	4.0%
EBITDA	21.79	21.35	2.1%	21.74	20.89	4.1%
Capex	5.71	7.61	-25.0%	3.83	9.05	-57.6%

### 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.