Appendix 4E

Preliminary Final Report

Name of entity**:** **MAp**

1. Details of the reporting period

Current Period: 1 January 2010 – 31 December 2010

Previous Corresponding Period: 1 January 2009 – 31 December 2009

2. Results for announcement to the market

Statutory Results				**$A'000**
2.1				
Revenue	up / ~~down~~	6.3%	to	1,006,331
Revaluation gains / (losses) from investments *	up / ~~down~~	93.4%	to	(26,325)
Other income **	~~up /~~ down	89.9%	to	16,610
Total revenue from continuing operations	up / ~~down~~	39.9%	to	996,616
2.2				
Profit from continuing operations after income tax expense (benefit)	up / ~~down~~	N/A	to	51,751
2.3				
Profit for the year attributable to members	up / ~~down~~	N/A	to	100,830

Proportionate Results *			**$A'000**
Proportionate revenue	up / ~~down~~	8.4%	1,129
Proportionate EBITDA	up / ~~down~~	14.1%	795
Proportionate earnings	up / ~~down~~	19.3%	445
Proportionate earnings per share (cents)	up / ~~down~~	10.9%	23.9

* Prior period comparatives reclassified to include revaluation losses from investments previously included as an expense. Refer note 2 of MAp Financial Report.
** Prior period comparatives reclassified to include revaluation losses from foreign exchange previously included as an expense. Refer note 2 of MAp Financial Report.
*** MAp's proportionate results more accurately reflect the performance of the listed entity. The proportionate results are derived by aggregating MAp's economic interest of each airport's results in A$ using period average exchange rates. To create comparable results, prior periods are restated to reflect current period ownership percentages and foreign exchange rates. MAp acknowledges that the proportionate result differs from the statutory result.

2. Results for announcement to the market (continued)

2.4 Dividends / Distributions	Amount per security	Franked amount per security
Current Period:		
Final distribution for the year ended 31 December 2010	10.00 cents	Nil
Interim distribution for the period ended 30 June 2010	11.00 cents	Nil
Special distribution announced on 25 August 2010	12.50 cents	Nil
Previous Corresponding Period:		
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

2.5 Record date for determining entitlements to the dividend / distribution	31 December 2010

2.6 *Provide a brief explanation of any of the figures reported above necessary to enable the figures to be understood:*

The increase in revenue from continuing operations is primarily due to the significant revaluation decrements in the prior period not recurring in the current year. Sydney Airport, whose results are consolidated into the MAp Financial Report, experienced revenue increases across all areas – Aeronautical, Retail, Property and Services.

The current year profit attributable to MAp security holders of $100.8 million compares to a loss of $572.7 million in 2009. Included in the loss in prior year year were $397.9 million of revaluation decrements that have no impact on operating performance, cash flows or distributions as well as non-recurring expenses of $351.1m in relation to the internalisation of management.

3. Consolidated Statements of Comprehensive Income with notes

Refer attached financial statements

4. Consolidated Balance Sheet with notes

Refer attached financial statements

5. Consolidated Statements of Cash Flows with notes

Refer attached financial statements

6. Consolidated Statements 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") was in place for the period ended 30 June 2010. There was no DRP in place for the special distribution and no DRP in place for the period ended 31 December 2010.

The market price for the DRP was 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.

Until further notice, the DRP remains suspended.

9. Retained profit movements

Refer attached financial statements (Note 18: Retained Profits)

10. Net tangible assets per security

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security (excluding minority interest)*	$(0.31)	$(0.30)
Asset backing of each stapled security attributable to investments (excluding minority interest)**	$4.35	$4.00

* 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 continuing operations 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 continuing operations 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	N/A
11.2 Date control was lost	N/A
11.3 Consolidated profit (loss) from continuing operations 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 continuing operations and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	N/A N/A

12. Details of associates and joint venture entities

Name of associate entity	MAp's Ownership Interest*	
	Current period (as at 31 December 2010)	Previous corresponding period (as at 31 December 2009)
Copenhagen Airports S.a r.l ("CASA")	26.9 %**	26.9 %**
Brussels Airport Investments S.a r.l ("BAISA")	39.0 %	36.0 %

* beneficial interest in underlying airports
** excludes an interest of 3.9% in Copenhagen Airports A/S held directly by a wholly owned subsidiary of MAp

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	5.42 cents	(33.11) cents
Diluted earnings per staled security	5.42 cents	(33.11) cents
	$A'000	$A'000
15.2 Returns to shareholders: - Distributions	623,511	370,693

MAp paid an interim distribution of 11.00 cents per stapled security (2009: 13.00 cents), a special distribution of 12.50 cents per stapled security (2009: nil), and declared a final distribution of 10.00 cents per stapled security (2009: 8.00 cents) in respect of the year to 31 December 2010. The final distribution was paid on 17 February 2011.

Refer attached financial statements (Note 5: Distributions Paid and Proposed) and section 2.4 above.

15.3 Significant features of operating performance:	2010 $A'000	2009 $A'000
Income		
Revaluation gains / (losses)	(26,325)	(397,860)
Interest income	61,103	92,518
Fair value movement on derivative contracts	(7,309)	67,506
Fee income	2,099	461
Aeronautical revenue	467,997	417,369
Retail revenue	212,890	192,734
Property revenue	131,415	118,836
Rendering of services	116,204	108,295
Gain on redemption of shares	2,118	76,979
Foreign exchange gains	21,801	16,743
Other	14,623	18,636
Total revenue and income from continuing operations	996,616	712,217
Expenses		
Borrowing costs	472,332	583,163
Responsible Entity and Adviser base fees – Macquarie Group	-	26,657
GST on Responsible Entity and Adviser base fees – MAp Entities	151	-
Tickets redemption expenses	-	42,884
Investment transaction expenses	13,023	2,914
Staff costs	47,098	37,546
Amortisation and depreciation	318,757	284,067
Internalisation expenses	-	351,055
Operating and maintenance	100,349	95,109
Other operating expenses	46,987	130,530
Total operating expenses from continuing operations	998,697	1,465,386

15. Commentary on results (continued)

Commentary on significant features of operating performance

Operating performance

The profit from continuing operations after income tax expense of $51.8 million (2009: $615.1 million loss) primarily reflects the impact of the following:

— Airport operating revenue of $928.5 million (2009: $837.2million) due to passenger and revenue growth at Sydney Airport.

— Net revaluation loss from MAp's investments of $26.3 million (2009: $397.9 million loss) primarily comprising:
  — revaluation increment of MAp's interest in Brussels Airport of $11.9 million (2009: $138.0 million decrement);
  — revaluation decrement of MAp's interest in Copenhagen Airports $18.6 million (2009: $204.7 million decrement);
  — realised loss following MAp's disposal of interests in ASUR of $18.7 million (2009: $50.6 million revaluation increment);

— Had the A$ not appreciated against other currencies between 31 December 2009 and 31 December 2010, a net revaluation increment of $307.3 million would have resulted.

— Interest revenue of $61.1 million (2009: $92.5 million); down on 2009 due to lower average cash balances.

— Finance costs of $472.3 million (2009: $583.2 million); decreased as a result of International Infrastructure Holdings Ltd (IIHL) preference shares distribution ($62.3 million) and TICkETS interest expense ($57.7 million) in the prior year not recurring.

— Other income for the year of $16.6 million (2009: $163.7 million); decreased primarily due to a $67.5 million gain on derivative contracts and a $77.0 million gain on redemption of IIHL preference shares in the prior year not recurring in 2010.

— Responsible Entity and Adviser base and performance fees paid to Macquarie Group of $nil million (2009: $26.7 million). No external fees were incurred after the internalisation of MAp management on 16 October 2009.

— Other expenses of $526.4 million, 4.3% higher than prior year (2009: $504.5 million) in part due to incremental costs of internalisation.

Income tax

Under the Income Tax Assessment Acts, MAT1 is not liable for income tax provided that the taxable income of MAT1 is fully distributed to stapled security holders each year. MAT2 is taxed in a similar way to a company for income tax purposes. MAT2 recognises income tax in its accounts using the liability method of tax effect accounting.

The income tax benefit of $53.8 million primarily represents reductions in the deferred tax liabilities recognised on fair value uplifts in relation to the assets and liabilities of Sydney Airport.

15. Commentary on results (continued)

Divestment of ASUR

At 31 December 2009, MAp, through MAIL, held a 16% economic interest in Grupo Aeroportuario del Sureste (ASUR). On 12 August 2010 MAp disposed of its entire 16% economic interest in ASUR by way of a joint equity offering by J.P. Morgan Securities Inc. and Macquarie Capital (USA) Inc. This divestment reached financial close on 17 August 2010 for consideration of US$206.9 million ($230.4 million), net of underwriting fees.

Minority interests

Minority interest in the profit from continuing operations of ($49.1) million represents the net loss of Southern Cross Australian Airports Trust (SCAAT) and Southern Cross Airports Corporations Holdings Limited (SCACH) attributable to minority interests for the year ended 31 December 2010.

Discussion and Analysis of Financial Position

Total assets have decreased from $14,894.9 million in the prior year to $14,325.6 million at 31 December 2010. This decrease partially relates to the sale of MAp's investment in ASUR and subsequent payment of a 12.5 cent per stapled security special distribution.

Total liabilities have increased from $8,850.4 million in the prior year to $8,932.1 million at 31 December 2010. This increase primarily relates to additional medium term notes issued at Sydney Airport.

At 31 December 2010, total consolidated equity of MAp was $5,393.6 million (2009: $6,044.5 million), of which $455.0 million represents minority interests in SCAAT and SCACH (2009: $560.9 million), which also included IIHL.

Discussion and Analysis of Cash Flows

Cash flows from operating activities have increased from $391.0 million in the prior year to $863.7 million for the year ended 31 December 2010. The increase in the current year is primarily attributable to the non-recurrence of the internalisation payment made in 2009 in the amount of $359.5 million.

Net cash outflows from investing activities of $89.0 million primarily relate to purchases of fixed assets ($136.6 million), payment for ASUR equities under the settlement of a total return swap ($139.7 million) and an additional investment in Brussels ($75.8 million), partially offset by proceeds from the sale of ASUR ($230.4 million).

During the year, MAp had net cash outflows from financing activities of $989.3 million (2009: $2,143.0 million). The outflows primarily reflect distributions paid to MAp security holders of $586.3 million.

Further discussion of results

For a further discussion of results, please refer to the MAp Management Information Report.

15.4 Segment results:

Refer attached financial statements (Note 26: Segment Reporting)

15.5 Trends in performance:

Refer to 15.3.

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):

☑	The accounts have been audited. (refer attached financial statements)	☐	The accounts have been subject to review. (refer attached financial statements)
☐	The accounts are in the process of being audited or subject to review.	☐	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