

Media Release

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Year to December 2010 Financial Results for Sydney Airport

Sydney Airport¹ 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

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SYDNEY AIRPORT FINANCIAL HIGHLIGHTS

Thousands	Q4 2010 SCACH Group	Q4 2009 SCACH Group	% change	CY 2010 SCACH Group	CY 2009 SCACH Group	% change
Quarter / Year to date - from:	01-Oct-10	01-Oct-09		01-Jan-10	01-Jan-09	
Quarter / Year to date - to:	31-Dec-10	31-Dec-09		31-Dec-10	31-Dec-09	
Revenues						
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%
Total revenues	250,137	236,658	5.7%	943,007	853,196	10.5%
Cost of sales	721	895		2,785	3,057	
Other income						
Profit on sale / (loss on disposal) of non current assets	0	76		97	151	
Operating expenses						
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	
Total operating expenses before specific expenses	43,465	42,592	2.0%	167,015	160,139	4.3%
Total operating expenses	43,582	42,916	1.6%	167,277	160,978	3.9%
EBITDA before specific expenses	205,950	193,247	6.6%	773,305	690,151	12.0%
EBITDA	205,833	192,923	6.7%	773,043	689,312	12.1%
Capital expenditure	53,926	68,767	-21.6%	136,359	298,683	-54.3%
\$ per passenger measures						
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.