

Media Release

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Calendar Year to December 2009 Financial Results for Sydney Airport

Sydney Airport¹ today announced a 5.6 per cent increase in earnings (excluding specific non-recurring expenses) for the calendar year to 31 December 2009 and an 11.8 per cent increase in earnings (excluding specific non-recurring expenses) for the final quarter of 2009.

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\$690.2 million for the calendar year to 31 December 2009 (CY2008: A\$653.3 million). EBITDA (including specific non-recurring expenses) increased to A\$689.3 million (CY2008: A\$649.4 million).

EBITDA (excluding specific non-recurring expenses) for the calendar year to 31 December 2009 represents a 5.6 per cent increase over the previous corresponding period (pcp). EBITDA (including specific non-recurring expenses) increased by 6.1 per cent on the pcp. For the final quarter of 2009, EBITDA (excluding specific non-recurring expenses) increased by 11.8 per cent to A\$193.2 million.

Sydney Airport's Chief Executive Officer, Russell Balding, said "Sydney Airport has achieved an excellent result for the calendar year to 31 December 2009, with EBITDA growing at 5.6 per cent excluding specific non-recurring expenses, and performance improving significantly in the last quarter of the year."

"During the final quarter passenger growth was encouraging with a 7.3 per cent increase over pcp. Even more pleasing was international traffic growth of 10.1 per cent. This resilient performance emphasises the fundamental strength of Sydney Airport's position as Australia's national gateway."

"Sydney Airport continues to attract new airlines and services. During the quarter Emirates started its third daily service to Dubai, V Australia launched a Fiji service and Air New Zealand started services to Rotorua, a new destination for Sydney Airport. Domestically, Tiger Airways started operations to the Gold Coast, the third destination it commenced in 2009."

"Sydney Airport also set a number of traffic records during the last quarter of 2009. October 2009 was the strongest ever traffic month with 3.08 million passengers, followed closely by December 2009 with 3.06 million passengers. On average, over 98,000 travellers were processed through Sydney Airport every day during the final quarter of the year."

1. Southern Cross Airports Corporation Holdings Limited (SCACH) is the parent company of Sydney Airport Corporation Limited (SACL).

“Progress on the upgrade and expansion of the International Terminal continued through the final quarter with a number of new retail and food and beverage outlets opening. The new facilities have been very well received by passengers,” Mr Balding said.

Revenue

Total revenue from all areas of the business rose 5.0 per cent over pcp to A\$853.2 million (CY2008: A\$812.7 million).

Aeronautical revenue for the year grew 8.2 per cent over pcp, driven by a combination of passenger growth and the recovery of the significant capital investment which is being made by the airport in close consultation with airline customers. In the quarter, A\$2.1 million of one-off revenue was recognised resulting from a commercial agreement. Excluding this one-off, aeronautical revenue was up 15.2 per cent on an underlying basis for the quarter reflecting traffic growth of 7.3 per cent and investment recovery.

Retail revenue is marginally ahead of pcp despite the \$A5 million one-off income last year. Adjusting for this item, retail revenue grew 3.1 per cent. The T1 redevelopment is on track and 26 more stores and food and beverage outlets opened during the quarter, including the Wiggles store, Nine West, Guess, Danks Street Depot, Hungry Jack’s and McDonald’s.

Commercial trading revenue for the year increased by 3.1 per cent over pcp. An investment was made to improve arrangements for passenger pick-ups at T2, which is helping to alleviate the congestion that was occurring in the domestic precinct.

Property revenue for the year increased by 5.7 per cent and was supported by the continued development of the property portfolio and the renegotiation of existing leases. During the quarter, the new seamless transfer facility at the northern end of the International Terminal was handed over to Qantas. The new facility will provide an improved travel experience for Qantas passengers transferring between international and domestic flights when it is fully operational by mid 2010.

Other income includes A\$2.4 million one-off income associated with gains on assets.

Operating Expenses

Operating expenses continue to be actively managed. Total operating expenses excluding recoverable security expenses and specific non-recurring expenses decreased by 1.0 per cent over pcp to A\$105.3 million (CY2008: A\$106.4 million). Total operating expenses per passenger excluding recoverable security expenses and specific non-recurring expenses decreased by 1.3 per cent to A\$3.19 per passenger (CY2008: A\$3.24 per passenger).

Total operating expenses including specific non-recurring expenses decreased by 0.7 per cent on pcp to A\$161.0 million (CY2008: A\$162.2 million). Labour costs in pcp benefited by A\$1.2 million due to reductions in leave provisions. Adjusting for this item, total operating expenses decreased by 1.5 per cent over pcp.

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Further information:

Karen Harrigan

Ph: 02 9667 6187

Mobile: 0417 218 217

Capital Expenditure

Total capital expenditure for the year was A\$298.7 million (CY2008: A\$394.0 million). Capital expenditure comprised maintenance expenditure of A\$11.0 million and A\$287.7 million in growth expenditure. Major items of spend for the year included the T1 redevelopment, runway safety works, Qantas seamless transfer facility, T1 ground power and pre-conditioned air equipment, common user terminal equipment and taxiway lighting.

Attachment: Financial Highlights

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SYDNEY AIRPORT FINANCIAL HIGHLIGHTS

Thousands	Q4 2009 SCACH Group Quarter / Year to date - from: 01-Oct-09 Quarter / Year to date - to: 31-Dec-09	Q4 2008 SCACH Group 01-Oct-08 31-Dec-08	% change	CY 2009 SCACH Group 01-Jan-09 31-Dec-09	CY 2008 SCACH Group 01-Jan-08 31-Dec-08	% change
Revenues						
Aeronautical	97,936	83,150	17.8%	343,692	317,540	8.2%
Aeronautical security recovery	19,116	18,740	2.0%	73,677	72,586	1.5%
Retail	52,902	49,242	7.4%	192,734	191,977	0.4%
Property	31,710	31,353	1.1%	118,836	112,454	5.7%
Commercial trading	31,596	29,199	8.2%	117,149	113,596	3.1%
Other	3,398	1,254	171.0%	7,108	4,576	55.3%
Total revenues	236,658	212,938	11.1%	853,196	812,729	5.0%
Cost of sales	895	430	108.1%	3,057	1,220	150.7%
Other income						
Profit on sale / (loss on disposal) of non current assets	76	26	189.8%	151	84	80.1%
Operating expenses						
Labour	9,295	7,928	17.2%	36,034	35,944	0.3%
Services and utilities	24,109	22,524	7.0%	92,289	87,593	5.4%
Other operational costs	3,926	4,326	-9.3%	13,660	15,912	-14.2%
Property and maintenance	5,262	4,963	6.0%	18,156	18,802	-3.4%
Specific expenses:	324	2,886	-88.8%	839	3,921	-78.6%
Total operating expenses before specific expenses	42,592	39,742	7.2%	160,139	158,252	1.2%
Total operating expenses	42,916	42,628	0.7%	160,978	162,173	-0.7%
EBITDA before specific expenses	193,247	172,793	11.8%	690,151	653,342	5.6%
EBITDA	192,923	169,907	13.5%	689,312	649,421	6.1%
Capital expenditure	68,767	138,696	-50.4%	298,683	394,024	-24.2%
\$ per passenger measures						
Revenue	26.19	25.28	3.6%	25.86	24.72	4.6%
Operating expenses before specific expenses	4.71	4.72	-0.1%	4.85	4.81	0.8%
Operating expenses	4.75	5.06	-6.2%	4.88	4.93	-1.1%
EBITDA before specific expenses	21.39	20.52	4.2%	20.92	19.87	5.2%
EBITDA	21.35	20.17	5.8%	20.89	19.76	5.7%
Capex	7.61	16.47	-53.8%	9.05	11.99	-24.5%