Media Release

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Three Months to March 2009 Financial Results for Sydney Airport

Sydney Airport[1] today announced a 2.2 per cent increase in earnings (excluding specific non-recurring expenses) for the three months to 31 March 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$165.6 million for the three months to 31 March 2009 (Q1 CY2008: A$162.0 million). EBITDA (including specific non-recurring expenses) increased to A$165.3 million (Q1 CY2008: A$161.7 million).

EBITDA (excluding specific non-recurring expenses) for the three months to 31 March 2009 represents a 2.2 per cent increase in earnings over the previous corresponding period (pcp). EBITDA (including specific non-recurring expenses) increased by 2.3 per cent on the pcp.

Total revenue growth of 1.9 per cent over the pcp was achieved despite the 4.4 per cent decline in passenger traffic over the pcp. Total operating expenses, excluding recoverable security expenses and specific non-recurring expenses, decreased by 3.7 per cent as a result of the corporate restructure undertaken late last year.

Sydney Airport's Chief Executive Officer, Russell Balding, said that the airport had achieved a sound result in the quarter, with EBITDA growing 2.2 per cent excluding specific non-recurring expenses.

"Sydney Airport has responded to the challenging global economic environment by moving in a timely manner to undertake a corporate restructure towards the end of last year and by actively managing all areas of the business."

"During the quarter Sydney Airport's shareholders made the decision to invest further equity and deleverage the company's capital structure by repaying A$870m in term debt maturing in September and November 2009. The funding of capital requirements through 2012 has been finalised and the company has no further term debt maturities until September 2011."

"Good progress is being made on the T1 redevelopment, construction of a larger runway safety area at the western end of the east-west runway and a water treatment plant for the international precinct."

1. Southern Cross Airports Corporation Holdings Limited (SCACH) is the parent company of Sydney Airport Corporation Limited (SACL) following completion of SACL's privatisation on 28 June 2002.

“In line with the established timetable, the public comments received on the Preliminary Draft Master Plan 2009 were considered and a Draft Master Plan submitted to the Minister for Infrastructure, Transport, Regional Development and Local Government for his consideration.”

“Emirates made the first flight of an A380 from Sydney to Auckland in February. Sydney Airport now has three carriers operating A380 aircraft – Singapore Airlines, Qantas and Emirates – to five destinations.”

“Sydney Airport also congratulated V Australia on the commencement of its daily service to Los Angeles. The launch of V Australia provides travellers with more choice when flying between Australia and the United States.”

“Air Austral commenced a twice weekly service between Sydney and Paris via Reunion Island last week and Delta Air Lines will commence its daily service to the United States in July. During the quarter, Qatar Airways also announced that it will commence flying from Sydney to Doha later this year.”

Domestically, Tiger Airways announced that it will commence flying the Sydney-Melbourne route in July. The entry of Tiger Airways into the Sydney market is a real boost for domestic tourism and will provide travellers with more choices,” Mr Balding said.

Revenue

Total revenue from all business units rose 1.9 per cent over pcp to A$204.6 million (Q1 CY2008: A$200.7 million).

Traffic performance during the first quarter of the year was affected by softening economic conditions whilst the comparison with the pcp is impacted by the timing of Easter.

The T1 redevelopment is currently on track with new retailers to include: Emporio Armani, Burberry, Coach, Rodd & Gunn, Bambini Wine Bar, China Grand, Itacho Sushi, Trattoria Prego, Caviar House and Prunier. Included in the retail mix are new concept stores by Lonely Planet and Australian Made.

During the quarter, a new parking product, FBT Parking, was launched which provides savings for corporate users of Pronto! Valet. The International Terminal’s taxi area was expanded to provide greater access and meet passenger demand. In addition, more etag readers were installed at the Domestic taxi holding bay.

Property revenues are continuing to perform solidly. During the quarter leasing arrangements were successfully completed for a major freight and logistics tenant, a number of T1 commercial tenancies and airport tenancies.

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Operating Expenses

Operating expenses continue to be tightly controlled. Total operating expenses excluding recoverable security expenses and specific non recurring expenses decreased by 3.7 per cent over pcp to A$25.2 million (Q1 CY2008: A$26.2 million). Total operating expenses per passenger excluding recoverable security expenses and specific non-recurring expenses increased by 0.8 per cent over pcp to A$3.16 per passenger (Q1 CY2008: A$3.13 per passenger).

Total operating expenses including specific non-recurring expenses decreased by 0.6 per cent on pcp to A$38.8 million (Q1 CY2008: A$39.1 million), mainly attributable to lower staff costs as a result of lower incentive payments.

Capital Expenditure

Total capital expenditure increased 3.5 per cent on pcp to A$76.9 million (Q1 CY2008: A$74.3 million). Capital expenditure comprised maintenance expenditure of A$2.0 million and A$74.9 million in growth expenditure. Major items of spend for the quarter included the T1 development, runway safety area works, common user terminal equipment and taxiway lighting.

Attachment: Financial Highlights

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SYDNEY AIRPORT FINANCIAL HIGHLIGHTS

Thousands	Q1 2009 SCACH Group	Q1 2008 SCACH Group	% change
Quarter / Year to date - from:	01-Jan-09	01-Jan-08	
Quarter / Year to date - to:	31-Mar-09	31-Mar-08	
Revenues			
Aeronautical	80,767	80,314	0.6%
Aeronautical security recovery	18,063	17,923	0.8%
Retail	46,762	47,055	-0.6%
Property	30,045	26,805	12.1%
Commercial trading	27,755	27,718	0.1%
Other	1,214	904	34.3%
Total revenues	**204,605**	**200,719**	**1.9%**
Cost of sales	427	0	
Other income			
Profit on sale / (loss on disposal) of non current assets	0	13	
Operating expenses			
Labour	8,000	8,862	-9.7%
Services and utilities	22,817	21,915	4.1%
Other operational costs	3,564	3,505	1.7%
Property and maintenance	4,195	4,478	-6.3%
Specific expenses:	**259**	**314**	***-17.7%***
Total operating expenses before specific expenses	**38,576**	**38,760**	**-0.5%**
Total operating expenses	**38,834**	**39,074**	**-0.6%**
EBITDA before specific expenses	**165,602**	**161,972**	**2.2%**
EBITDA	**165,343**	**161,658**	**2.3%**
Capital expenditure	**76,895**	**74,287**	**3.5%**
$ per passenger measures			
Revenue	25.59	24.00	6.6%
Operating expenses before specific expenses	4.83	4.64	4.1%
Operating expenses	4.86	4.67	4.0%
EBITDA before specific expenses	20.72	19.37	6.9%
EBITDA	20.68	19.33	7.0%
Capex	9.62	8.88	8.3%