ASX Release

23 February 2012

Sydney Airport
Results for the Year Ended 31 December 2011

Sydney Airport today announced its results for the year to 31 December 2011. CEO, Ms Kerrie Mather, said, "Over the past five years, Sydney Airport has delivered an average of 3% traffic growth, 7% EBITDA growth, and 13% proportionate earnings growth each year. This demonstrates the resilience of the business and its ability to translate traffic performance into strong earnings growth.

"As part of the new growth vision announced in December, we are committed to delivering a better passenger experience, more efficient airline operations, and growing tourism and business travel to NSW and Australia. Investors in Sydney Airport will continue to benefit from predictable, resilient and growing earnings. This enables us to reaffirm 2012 distribution guidance of approximately 21 cents per stapled security, expected to be fully covered by net operating receipts."

1. Sydney Airport Holdings Limited (SAHL, formerly MAp) Results

(i) Highlights

- 2011 total investor return[1] of 23%; 33% ahead of the ASX200 Accumulation Index
- Sole focus on 84.8% interest in Sydney Airport following asset swap
- Structural simplification, including cash payment of A$0.80 per stapled security
- Ordinary distributions of A$0.21 per stapled security

(ii) Performance in Brief[2]

Year to Date	31-Dec-11	31-Dec-10
Proportionate Consolidated Airport Asset EBITDA[3,4]	A$773.6m	A$750.6m
Statutory Net Profit/(Loss) Attributable to SAHL Security Holders[5]	(A$239.9m)*	A$100.8m
Total Investments[4,6]	A$6,619.3m**	A$7,344.1m

* Statutory result in 2011 includes a loss of A$361.6m related to disposals of Brussels and Copenhagen airports.

** Reduction in total investments in 2011 relates to the disposals of Brussels and Copenhagen airports.

Ms Mather said, “SAHL delivered pro forma EBITDA growth of 2.7% in 2011 compared to the pcp[7], exceeding traffic growth of 2.5% for the same period. This is a strong performance given disruption to the aviation sector from natural disasters, airline groundings and industrial action. We paid a regular distribution of 21 cents per stapled security in 2011, approximately 104% covered by proportionate earnings and 87% covered by net operating receipts.

“As a result of the asset swap and structural simplification completed in 2011, SAHL is now solely focussed on its 85% ownership of Sydney Airport. The investment proposition is simpler, more efficient in terms of cash flow generation and continues to have strong growth prospects and resilience of earnings. The two management teams have been integrated, the name and brand aligned, and this reporting season marks the first time SAHL and Sydney Airport have reported as a group.”

(iii) Asset Backing Attributable to Investments per Stapled Security

Asset Backing Attributable to Investments per Stapled Security as at 31 December 2011 was A$3.55.

(iv) Outlook

The board and management believe that SAHL is well positioned for the future. The sole focus on the 85% stake in Sydney Airport provides investors with a simple investment proposition, and one that is expected to deliver strong growth and resilience. The efficient conversion of operational performance to cash distributions ensures that the benefit of business improvements can be passed on to investors.

(v) Distributions & Distribution Guidance

On 16 February 2012, SAHL paid a final distribution of A$0.10 per stapled security, bringing the ordinary distribution for 2011 to 21 cents per stapled security. On 19 December, SAHL made an A$0.80 per stapled security cash payment as part of the Scheme Consideration.

SAHL reaffirms its distribution guidance of approximately 21 cents per stapled security for 2012, fully covered by proportionate earnings and net operating receipts, subject to external shocks to the aviation industry and material changes to forecast assumptions.

2. Sydney Airport Results

(i) Summary

For the year ended 31 December 2011, Sydney Airport achieved an EBITDA of A$790.7m (excluding specific expenses), which represents an increase of 2.2% over the pcp.

A$m	Q4 2011	Q4 2010	% Change	FY 2011	FY 2010	% Change
Traffic (pax m)	9.2	9.4	(2.3%)	35.6	35.6	0.2%
Revenue	253.5	250.1	1.4%	972.8	943.0	3.2%
Cost of Sales	(1.0)	(0.7)	n/a	(4.3)	(2.8)	n/a
Other Income	-	-	n/a	-	0.1	n/a
Operating Costs	(44.8)	(43.5)	3.0%	(177.8)	(167.0)	6.4%
EBITDA (pre specific expenses)	**207.7**	**206.0**	**0.9%**	**790.7**	**773.3**	**2.2%**
Specific Expenses	(0.1)	(0.1)	n/a	(0.9)	(0.3)	n/a
EBITDA	**207.6**	**205.8**	**0.9%**	**789.8**	**773.0**	**2.2%**

Ms Mather said, “Sydney Airport delivered 2.2% EBITDA growth in the year despite a challenging environment that included major disruptions to the aviation, travel and tourism sectors caused by natural disasters, the grounding of Tiger Airways and various industrial actions. International traffic continued to deliver trend growth of 3%.

“In December, we announced our intention to commence broad stakeholder consultation on an exciting new vision for the airport. The vision sees the airport transformed into two airline alliance-based precincts integrating international, domestic and regional services under the one roof by 2019, and requires no change to existing operating restrictions. It would create an improved passenger experience and expand the capacity of the airport. In recognition of the time required to develop the proposal, Qantas Group and Virgin Australia have agreed to extend the international aeronautical pricing arrangements to mid-2015.

“In addition to working closely with our airline partners, Sydney Airport and Destination NSW have joined forces to boost tourism, attract new airlines and increase airline services to Sydney. The partnership signals a joint commitment to focus airline marketing efforts with a new level of cooperation and coordination. It also reflects the significant contribution Sydney Airport and Destination NSW together make to the growth of tourism, the prosperity of the state economy and the creation of jobs. The partnership with Destination NSW has already borne fruit with low cost carriers AirAsia X and Scoot Airlines both announcing daily services to Sydney from April and July 2012 respectively.

"In November we welcomed a Boeing 787 Dreamliner test flight, the first landing of the new aircraft in Australia. It continues the major shift in the aviation industry towards quieter, greener, more fuel-efficient aircraft. We are set to be one of the most popular airport destinations for new generation aircraft, with the Qantas Group placing a significant order for the B787.

"During the year we worked with Virgin Australia to introduce a premium product range at T2 including priority check-in, valet parking, and premium lounge entry. Domestic wide-body services to Perth and Melbourne have also been facilitated.

"On the landside, passengers will soon benefit from greater choice and convenience with a new A$68 million, four-star hotel to be built at the International Terminal by the Denwol Group, and operated by Rydges Hotels. The construction is expected to be substantially complete by late 2012 and will enhance Sydney Airport's position as Australia's international gateway.

SKIES were redeemed by Sydney Airport on 3 January 2012 utilising proceeds from senior debt financings earlier in 2011. The airport's capital structure has been simplified and does not include a subordinated debt facility for the first time since 2002," Ms Mather added.

(ii) Revenue

Total revenue from all areas of the business rose 3.2% over the pcp to A$972.8 million.

International passenger growth was driven by solid Australian outbound and the significant growth in Asian emerging markets including China, Indonesia, India and Malaysia. Looking forward, 2012 promises to be an exciting year with AirAsia X and Scoot Airlines to commence daily services from Kuala Lumpur and Singapore respectively.

Retail revenue continued to grow in the quarter and full year. The International Terminal retail upgrade is now complete, with the focus shifting to a refresh of T2. An improved News & Gifts offer is already operational, and work has commenced on an additional and superior speciality retail offer. The opening of the first open-to-the-public Victoria's Secret store in Australia in December was the initial step in the improvement programme, with further exciting developments to follow during the course of 2012.

Ground transport and commercial services revenues were higher than the pcp. The introduction of online special offers which provide substantial savings over the 'drive-up rates' have been well received and utilised by customers. Construction of the A$47 million new multi-storey car park at the International Terminal remains on schedule for completion in the middle of 2012.

Property and car rental revenues were supported by non-recurring income of A$3.0 million in the pcp associated with the finalisation of commercial negotiations. Excluding this income, property and car rental revenue grew by 7.2% for the year, driven by strong underlying performance and additional income from fuel services commencing in Q4.

(iii) Operating Expenses

For the year to December 2011, operating expenses continued to be tightly controlled. Total operating expenses excluding recoverable security expenses and specific items increased by 5.2% over the pcp to A$115.1 million, due primarily to higher utility costs. Total operating expenses increased by 6.8% over the pcp to A$178.7 million.

Operating expenses included non-recurring costs of A$1.1 million in 2011 and non-recurring benefits of A$2.6 million in 2010. Adjusted for the non-recurring items, underlying operating expenses increased by 1.8% over pcp.

(A$m)	**FY2011**	**FY2010**	**Growth**
Underlying Operating Expenses	**114.0**	**112.0**	**1.8%**
Non-recurring items	1.1	(2.6)	n/a
Operating Expenses pre recoverable security & specifics	**115.1**	**109.4**	**5.2%**
Recoverable Security	62.7	57.6	8.8%
Specific Items	0.9	0.3	n/a
Operating Expenses	**178.7**	**167.3**	**6.8%**

(iv) Underlying EBITDA

Adjusted for non-recurring items, full year 2011 EBITDA excluding specific expenses and recoverable security expenses increased by 4.0% over the pcp.

(v) Capital Expenditure

Total capital expenditure for the year was A$182.7 million. The increase compared to the pcp was primarily due to the construction of the Central Terrace Building, the new multi-storey car park at the International Terminal, runway and apron projects, and stop bar lights installation. In addition, Virgin Australia commenced domestic operations with wide-body aircraft in 2011, and we are building a T2 extension to accommodate this change.

For further information, please contact:

Hugh Wehby
Head of Investor Relations
Tel: +612 9667 9873
Mob: +61 427 992 538
Email: hugh.wehby@syd.com.au

Tracy Ong
Manager - Media and Communications
Tel: +612 9667 6470
Mob: +61 437 033 479
Email: tracy.ong@syd.com.au

---

[1] Total investor return is calculated as capital gain / (loss) plus distributions

[2] Refer to Table 4 on page 10 of the Management Information Report – 31 December 2011 (MIR) for a reconciliation of SAHL Statutory Result to Proportionate Results. Refer to Section 1.7 beginning on page 20 of the MIR for a description of methodologies used to calculate Proportionate EBITDA and Earnings.

[3] Earnings before interest, tax, depreciation & amortisation, before specific items

[4] As defined in the MIR

[5] Taken from the SAHL audited 2011 Financial Statements

[6] Directors' valuation of SAHL's beneficial airport investments

[7] Prior corresponding period

SYDNEY AIRPORT FINANCIAL HIGHLIGHTS

Thousands	Q4 2011 SCACH Group	Q4 2010 SCACH Group	% change	CY 2011 SCACH Group	CY 2010 SCACH Group	% change
Quarter / Year to date - from:	01-Oct-11	01-Oct-10		01-Jan-11	01-Jan-10	
Quarter / Year to date - to:	31-Dec-11	31-Dec-10		31-Dec-11	31-Dec-10	
Revenues						
Aeronautical	105,173	105,353	-0.2%	402,513	394,682	2.0%
Aeronautical security recovery	19,400	19,250	0.8%	76,202	73,316	3.9%
Retail	58,168	56,669	2.6%	223,344	212,890	4.9%
Property and car rental	40,766	39,641	2.8%	156,033	150,015	4.0%
Ground transport and commercial services	28,688	28,056	2.3%	109,514	107,144	2.2%
Other	1,349	1,168	15.5%	5,149	4,961	3.8%
Total revenues	**253,543**	**250,137**	**1.4%**	**972,755**	**943,008**	**3.2%**
Cost of sales	1,021	721		4,303	2,785	
Other income						
Profit on sale / (loss on disposal) of non current assets	0	0		0	97	
Operating expenses						
Labour	9,020	9,072	-0.6%	37,593	36,130	4.0%
Services and utilities	11,324	10,668	6.1%	45,211	41,210	9.7%
Other operational costs	3,965	3,960	0.1%	14,580	14,710	-0.9%
Property and maintenance	4,460	4,437	0.5%	17,674	17,332	2.0%
Recoverable security opex	16,023	15,328	4.5%	62,695	57,633	8.8%
Specific expenses:	119	117		908	262	
Total operating expenses before recoverable security opex and specific expenses	**28,768**	**28,137**	**2.2%**	**115,058**	**109,382**	**5.2%**
Total operating expenses before specific expenses	**44,791**	**43,465**	**3.0%**	**177,753**	**167,015**	**6.4%**
Total operating expenses	**44,910**	**43,582**	**3.0%**	**178,661**	**167,277**	**6.8%**
EBITDA before recoverable security opex before specific expenses	**223,754**	**221,278**	**1.1%**	**853,394**	**830,938**	**2.7%**
EBITDA before specific expenses	**207,731**	**205,950**	**0.9%**	**790,699**	**773,305**	**2.2%**
EBITDA	**207,612**	**205,833**	**0.9%**	**789,791**	**773,043**	**2.2%**
Capital expenditure	**72,912**	**53,926**	**35.2%**	**182,665**	**136,359**	**34.0%**
$ per passenger measures						
Revenue	27.47	26.49	3.7%	27.30	26.52	3.0%
Operating expenses before specific expenses	4.85	4.60	5.4%	4.99	4.70	6.2%
Operating expenses	4.87	4.61	5.4%	5.01	4.70	6.6%
EBITDA before specific expenses	22.51	21.81	3.2%	22.19	21.75	2.1%
EBITDA	22.49	21.79	3.2%	22.17	21.74	2.0%
Capex	7.90	5.71	38.3%	5.13	3.83	33.7%