



**Sydney
Airport**

The right future.
Starting now.

Sydney Airport Full Year Results 2011

23 February 2012

Disclaimer

General Securities Warning

This presentation has been prepared by Sydney Airport Holdings Limited (ACN 075 295 760 / AFSL 236875).

This presentation is not an offer or invitation for subscription or purchase of or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making an investment in Sydney Airport Trust 1 (ARSN 099 597 921) or Sydney Airport Trust 2 (ARSN 099 597 896) (Sydney Airport), the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

Information, including forecast financial information, in this presentation should not be considered as a recommendation in relation to holding, purchasing or selling shares, securities or other instruments in Sydney Airport. Due care and attention has been used in the preparation of forecast information. However, actual results may vary from forecasts and any variation may be materially positive or negative. Forecasts by their very nature, are subject to uncertainty and contingencies many of which are outside the control of Sydney Airport. Past performance is not a reliable indication of future performance.

Agenda

1. Highlights
2. SAHL Results FY2011
3. Sydney Airport Results FY2011
4. Key Drivers of Growth
5. FY2012 & Outlook





**Sydney
Airport**

The right future.
Starting now.

Highlights

Delivery of Value to Investors Through Focus on Sydney Airport & Simplification

→ FY 2011 Financial Items¹

- Proportionate Earnings = A\$405.5 million
- Proportionate Earnings per Stapled Security = 21.8c
- Net Profit from Continuing Operations After Tax = A\$82.1m
- Net Loss Attributable to Investors = A\$239.9m
- Distributions per Stapled Security = 21.0c

→ Sydney Airport Holdings Limited (SAHL) Highlights

- Increased interest in and sole focus on Sydney Airport
- Delivered to investors more than 33% outperformance relative to the ASX200 accumulation index
- Net asset backing of A\$3.55

→ Sydney Airport Highlights

- Delivered 2.2% EBITDA growth on 0.2% traffic growth
- Extended the Qantas and Virgin Australia international aeronautical pricing agreements until mid-2015
- Capex funded into 2014 following capital management initiatives

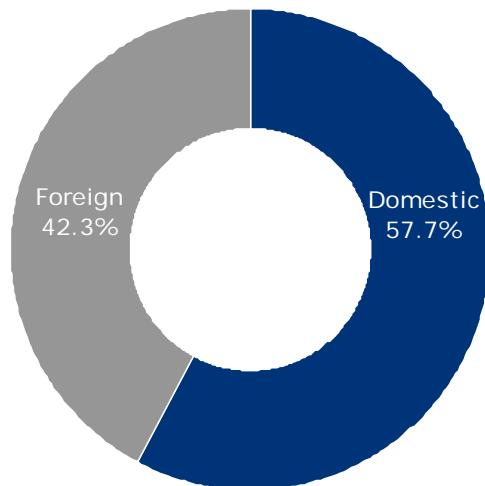
1. Refer to Table 4 on page 10 of the Management Information Report – 31 December 2011 (MIR) for a reconciliation of SAHL Statutory Result to Proportionate Earnings. Refer to Section 1.7 beginning on page 20 of the MIR for a description of methodologies used to calculate Proportionate EBITDA and Earnings.

Attracting Australian Investors

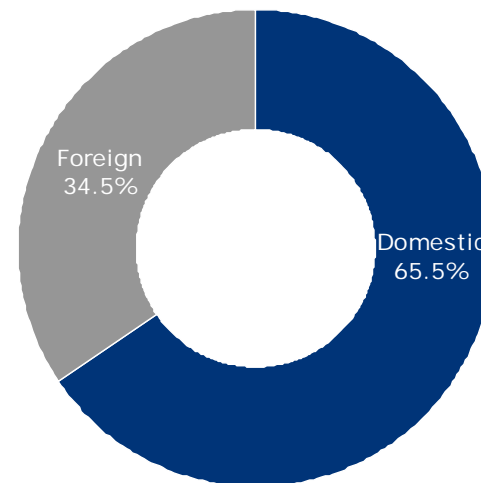
Australian Ownership at its Highest Level for Over Five Years

- ➔ Current foreign ownership level of 34.5% vs legislative cap of 40.0%
- ➔ Significant increase in domestic institutional buying following:
 - Internalisation of management in 2009
 - Sole focus on Sydney Airport's predictable, resilient and growing earnings
- ➔ Continuation of monthly disclosure of foreign ownership level in periods where it exceeds 35%

Ownership (excluding TICKETS) July 2009¹



Ownership February 2012



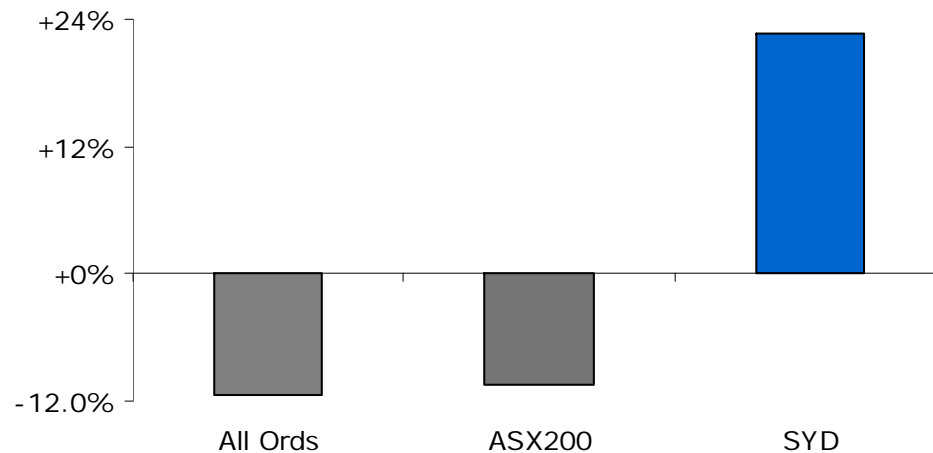
1. Including TICKETS the foreign ownership level was 36%

Total Investor Return Outperformance

33% Total Investor Return Outperformance of ASX200 Accumulation Index

- Average annual investor return:
 - Since listing in April 2002, approximately 14%
 - Since announcing the proposal to internalise management in July 2009, approximately 26%
- 2011 total investor return of 22.7% compared to ASX200 Accumulation Index return of -10.5%
- 2011 investor return included A\$1.01 in cash payments to investors comprising:
 - A\$0.11 interim distribution and A\$0.10 final distribution
 - A\$0.80 payment as part consideration for the Simplification

2011 Total Investor Return



Sole Focus on Sydney Airport

Enhanced Exposure to Sydney's High Quality, Consistent Operating Performance & Growth

→ Key highlights of change in strategy:

- Increased interest in Sydney Airport to approximately 85%
- Sale of interests in Brussels and Copenhagen airports to Ontario Teachers' Pension Plan Board
- Cash receipt of A\$801m
- Reduction in ongoing corporate expenses

→ Outcomes of sole focus on ownership and operation of Sydney Airport:

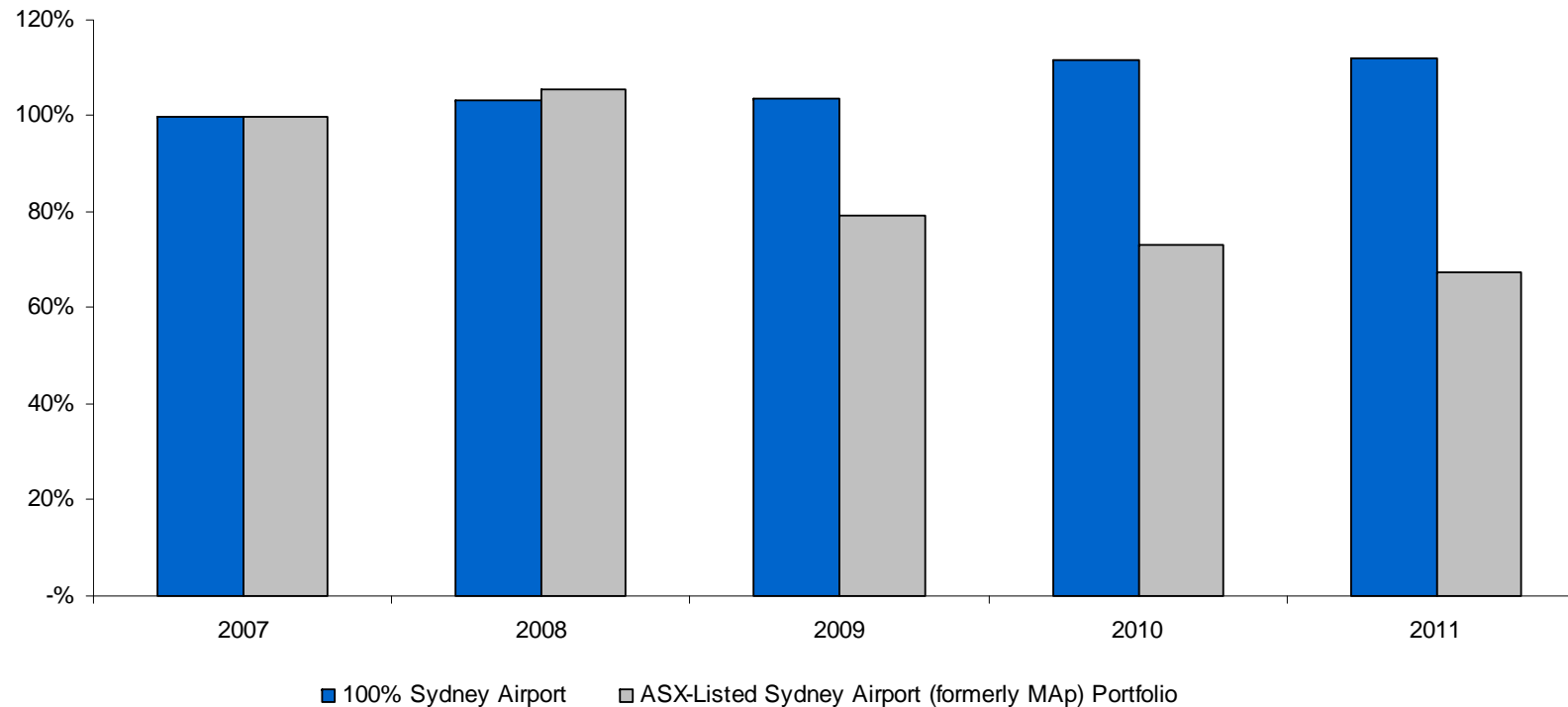
- Clarity of Sydney Airport's earnings profile and growth potential
- Enhanced exposure to resilient and lower risk business
- Full integration and co-location of SAHL and Sydney Airport management teams
- 2012 alignment of net operating receipts and distributions

Traffic 2007-2011

Sydney Airport Compound Annual Traffic Growth of 3%

→ Sydney Airport has delivered annual traffic growth 12% above the former portfolio

Traffic Performance Index ¹



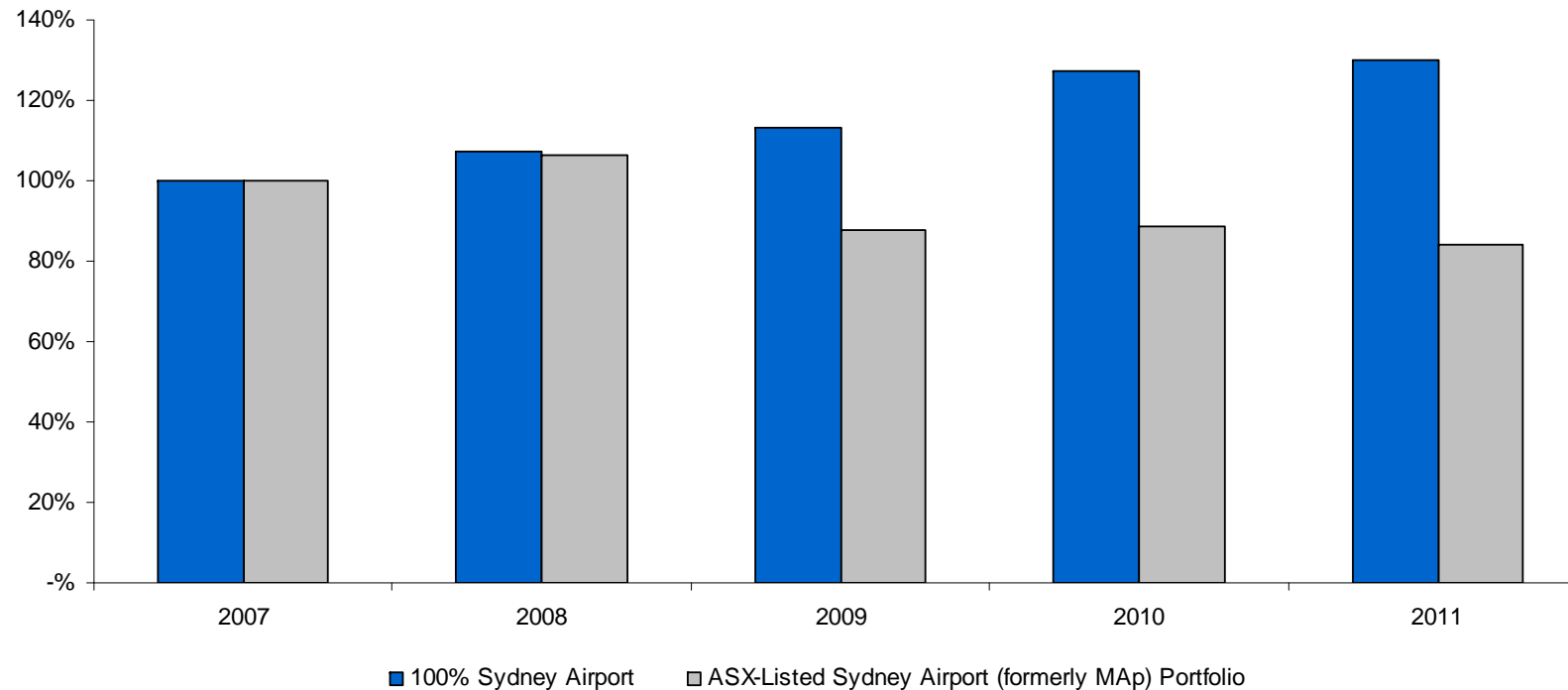
1. Reduction in portfolio performance primarily due to asset sales

EBITDA 2007-2011

Sydney Airport Compound Annual EBITDA Growth of 7%

- ➔ Annual EBITDA growth 11% above the former portfolio
- ➔ EBITDA growth 4% above traffic growth

EBITDA Performance Index ¹



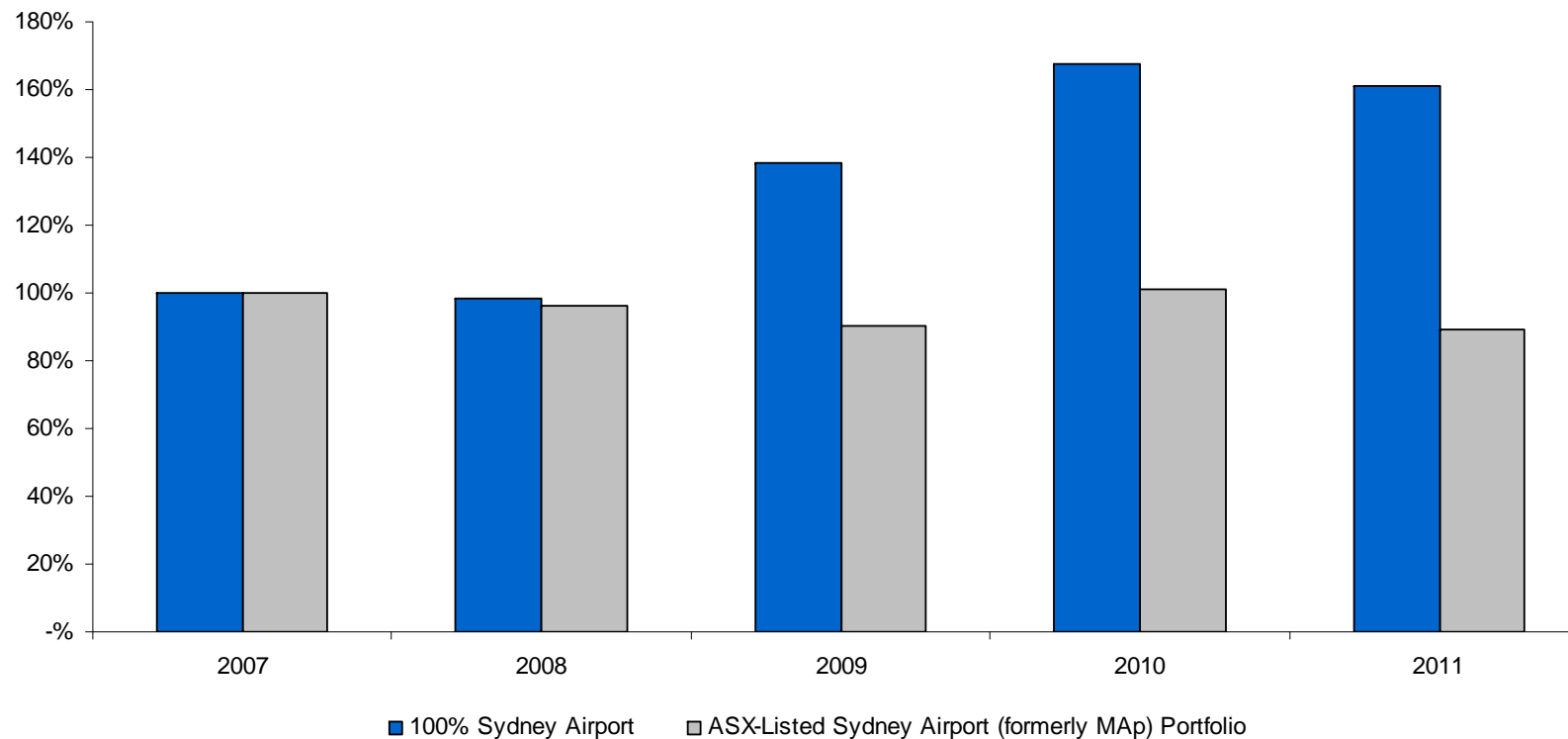
1. Reduction in portfolio performance primarily due to asset sales and foreign exchange movements

Proportionate Earnings 2007-2011

Sydney Airport Compound Annual Proportionate Earnings Growth of 13%

- ➔ Annual Proportionate Earnings growth 16% above former portfolio
- ➔ Proportionate Earnings growth 6% above EBITDA growth

Proportionate Earnings Performance Index ¹

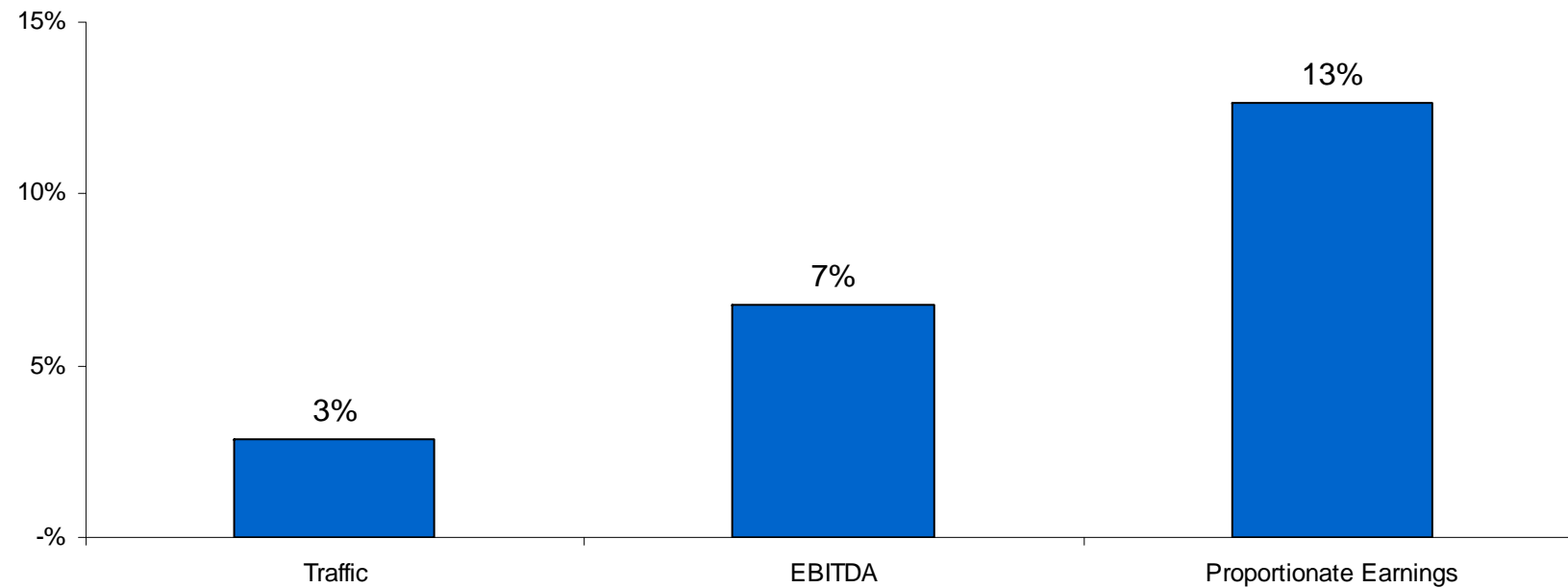


1. Reduction in portfolio performance primarily due to asset sales and foreign exchange movements; results include effects of equity injections

Sydney Airport: 5 Year Growth

2007-2011 Compound Average Growth Rates Have Been Impressive

Sydney Airport CAGR 2007-2011



Our New Investment Proposition

Simpler, Stronger & Clearer

- Simpler investment
 - Sole focus on Sydney Airport
 - Proven track record of performance
- Stronger earnings profile
 - More robust and lower risk business
 - Operational leverage and high EBITDA margin support ongoing EBITDA outperformance
- Clearer view of value proposition:

Characteristic	Today	Pre-Simplification
Airports	Sydney	Sydney, Brussels, Copenhagen
Currency Exposure	Australian Dollar	Australian Dollar, Euro, Danish Kroner
Airport Distribution Policy	100% free cash flow	Mixture of cash flow and statutory profit
Regional Focus	Asia-Pacific	Asia-Pacific, Europe
EBITDA Conversion¹	~52%	~40%
Distribution Coverage	2012 guidance	No guidance provided
Reporting	Combined reporting	MMap and Sydney Airport separately

1. Defined as Airport Proportionate Distributions / Airport Proportionate EBITDA; Sydney Airport stand alone vs Portfolio Pre-Simplification

2012 Distribution to be Fully Sourced from Sydney Airport Cash Flows

- Reaffirm 2012 distribution guidance of approximately A\$0.21 per stapled security
 - Expect 100% coverage of 2012 distribution by proportionate earnings and net operating receipts defined as:
 - 84.8% of distributions declared by Sydney Airport¹
 - Less corporate costs
- This is subject to external shocks to the aviation industry and material changes to forecast assumptions

- 2012 distribution represents strong underlying growth based on:
 - Reduced cash balance after the Simplification payment
 - No cash flows from European assets
 - Move to full coverage by net operating receipts

- Distribution growth expected once 100% coverage is achieved

1. SAHL owns 84.8% of Sydney Airport



**Sydney
Airport**

The right future.
Starting now.

SAHL Results FY2011

2011 Statutory Income Statement

Profit From Continuing Operations After Income Tax of A\$82.1m

12 Months to 31 December 2011 (A\$m)	FY11	FY10
Revenue	1,042.0	1,006.3
Revaluation of Investments	0.2	(19.7)
Other Income	(16.3)	16.6
Revenue from Continuing Operations	1,025.9	1,003.2
Finance Costs	(489.9)	(472.3)
Other Expenses	(550.6)	(526.4)
Operating Expenses from Continuing Operations	(1,040.5)	(998.7)
Profit / (Loss) from Continuing Operations Before Tax	(14.7)	4.5
Income Tax Benefit / (Expense)	96.7	53.8
Profit / (Loss) from Continuing Operations After Tax	82.1	58.5
Loss from Discontinued Operations Net of Tax	(361.6)	(6.6)
Profit / (Loss) After Tax	(279.4)	51.8
(Profit) / Loss Attributable to Minority Interest	39.5	49.1
Net Profit/(Loss) Attributable to Investors	(239.9)	100.8

2011 Proportionate Earnings Statement

Proportionate Earnings per Stapled Security of 21.8 cents

12 Months to 31 December 2011 (A\$m) ¹	FY2011	vs Pro forma ² FY2010	Pro forma ² FY2010	Actual FY2010
Passenger Traffic (m)	38.2	2.5%	37.3	41.4
Airport Revenue	1,042.8	3.7%	1,005.8	1,129.0
Airport Operating Expenses	(269.3)	5.5%	(255.1)	(317.2)
Airport EBITDA (pre airport specific gains/losses)	773.6	3.1%	750.6	811.9
Corporate Operating Expenses	(19.9)	19.1%	(16.7)	(16.7)
Total EBITDA (pre airport specific gains/losses)	753.6	2.7%	733.9	795.1
Airport specific gains/(losses)	(0.3)		(2.6)	10.3
Total EBITDA	753.4	3.0%	731.3	805.4
Airport Economic Depreciation	(23.0)			(28.6)
Airport Net Interest Expense	(345.0)			(334.7)
Airport Net Tax Expense	(30.9)			(35.6)
Corporate Net Interest Income	52.5			45.7
Corporate Net Tax Expense	(1.6)			(6.7)
Proportionate Earnings³	405.5			445.4
Proportionate EPS³ (cps)	21.8			23.9
Concession Asset Net Debt Amortisation	(1.5)			(1.3)

1. 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 Earnings. Refer to Section 1.7 beginning on page 20 of the MIR for a description of methodologies used to calculate Proportionate EBITDA and Earnings.

2. Pro forma results are derived by restating prior period results with current period ownership interests and foreign exchange rates

3. Excludes concession net debt amortisation

Directors' Valuation

NAB A\$3.55 per Security, Enterprise Value of A\$11.6bn

Directors' Valuation 31 December 2011	Ownership	Valuation	Per security	Discount Rate
Sydney Airport	84.8%	6,619	3.56	13.7%
Corporate Cash / (Net Debt)	100.0%	(20)	(0.01)	N/A
Equity Value Attributable to Investors		6,599	3.55	N/A

Valuation Change	A\$
Equity Value Attributable to Investors 30 June 2011	4.27
Cash Component of Simplification Consideration	(0.80)
Revaluation of Sydney Airport	0.08
Equity Value Attributable to Investors 31 December 2011	3.55



**Sydney
Airport**

The right future.
Starting now.

Sydney Airport Results FY2011

Revenue 100% Basis

2011 Revenue Growth of 3.1% Compared to Pax Growth of 0.2%

- Delivered traffic growth in a period with four natural disasters and two airline groundings
- 3.0% international passenger growth driven by Australian outbound, and Asian inbound
- Successful first full year of redeveloped T1 retail operations
- Property performed well with a combination of new leases and renegotiations
- Introduction of special offers in car parks; more options to follow in 2012
- Recovery of investment in ground access improvements

Revenues (A\$'000s)	Q411	Q410	%	FY11	FY10	%
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 & Car Rental	40,766	39,641	2.8%	156,033	150,015	4.0%
Ground Transport & Commercial Services	28,688	28,056	2.3%	109,514	107,144	2.2%
Other	1,349	1,168	15.5%	5,149	5,058	1.8%
Total Revenue	253,543	250,137	1.4%	972,755	943,105	3.1%

Operating Expenses 100% Basis

Operating Expenses Remain Well Controlled

- Underlying opex excluding recoverable security grew 1.8%
 - 2011 included A\$1.1m of non-recurring costs
 - 2010 included A\$2.6m of non-recurring benefits
- Security and utilities expenses drove some increase in overall opex
- Sydney Airport's disciplined approach to opex management continues

Operating Expenses (A\$'000s)	Q411	Q410	%	FY11	FY10	%
Labour	9,020	9,072	-0.6%	37,593	36,130	4.0%
Services & 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 & Maintenance	4,460	4,437	0.5%	17,674	17,332	2.0%
Subtotal	28,768	28,137	2.2%	115,058	109,382	5.2%
Recoverable Security	16,023	15,328	4.5%	62,695	57,633	8.8%
Total Expenses (pre specific items)	44,791	43,465	3.0%	177,753	167,015	6.4%
Specific Expenses	119	117		908	262	
Total Expenses	44,910	43,582	3.0%	178,661	167,277	6.8%
Cost of Sales	1,021	721		4,303	2,785	

EBITDA & Proportionate Earnings 100% Basis

EBITDA Growth of 2.2% Compared to Traffic Growth of 0.2%

- Delivery of EBITDA growth 2 percentage points higher than passenger growth
- Higher net interest bill due to:
 - Increased average interest cost from 6.3% to 6.5%
 - Additional fees related to undrawn facilities
 - Additional debt related to growth capex
- Expectation is 2012 percentage growth in net interest will be no more than Q4 2011 percentage growth
- Proportionate Earnings lower by 3.8% for 2011 and 2.0% for Q4

Sydney Airport Earnings (A\$'000s) – 100% basis	Q411	Q410	%	FY11	FY10	%
Revenue	253,543	250,137	1.4%	972,755	943,105	3.1%
Expenses + Cost of Sales (pre specific items)	(45,812)	(44,187)	3.7%	(182,056)	(169,800)	7.2%
EBITDA	207,731	205,950	0.9%	790,699	773,305	2.2%
Specific Items	(119)	(117)		(908)	(262)	
Economic Depreciation	(5,733)	(5,890)	(2.7%)	(12,581)	(13,242)	(5.0%)
Net Interest	(100,015)	(96,007)	4.2%	(387,355)	(354,452)	9.3%
Tax	-	-		-	-	
Earnings	101,865	103,937	(2.0%)	389,855	405,349	(3.8%)

Capital Investment 100% Basis

2011 Investment Will Deliver Significant Benefits to Airport Users

- 2011 total capital investment of A\$182.7 million
- Projects are subject to strict evaluation and earn market returns

Major Project	Summary
Runway Resheet	<ul style="list-style-type: none"> - \$26 million runway resurfacing project completed - Essential safety project involving works on lighting, asphalt and line markings - Completed during curfew hours to minimise disruption
Central Terrace Building	<ul style="list-style-type: none"> - Completion of \$30 million 9,000m² Central Terrace Building - Three floors leased to major government tenant - Sydney Airport staff relocated from numerous locations around the airport
Ground Transport	<ul style="list-style-type: none"> - \$3.8m upgrade of T1 and T2 taxi ranks - Automated tag systems for limousines and buses
Stop Bar Lights	<ul style="list-style-type: none"> - Commencement of \$25 million installation of stop bar lights - Prevents aircraft from inadvertently entering a runway without air traffic control clearance - Scheduled for completion in 2H 2012
Multi-Storey Car Park	<ul style="list-style-type: none"> - Commencement of \$47 million eight storey car park at international terminal - Additional 2,300 spaces to be available from mid-2012

Debt Summary

Capital Structure Simplified & Diversified; Capex Funding Certainty Into 2014

- Sydney Airport raised A\$1.1bn of senior debt facilities during 2011
 - SKIES redeemed following senior debt financing; completed 3 January 2012
 - Growth capex fully financed into 2014
- First time since 2002 that Sydney Airport has no subordinated debt facilities
- Diversified debt package includes:
 - Australian Dollar, US Dollar and Canadian Dollar bonds
 - Domestic and International bank facilities

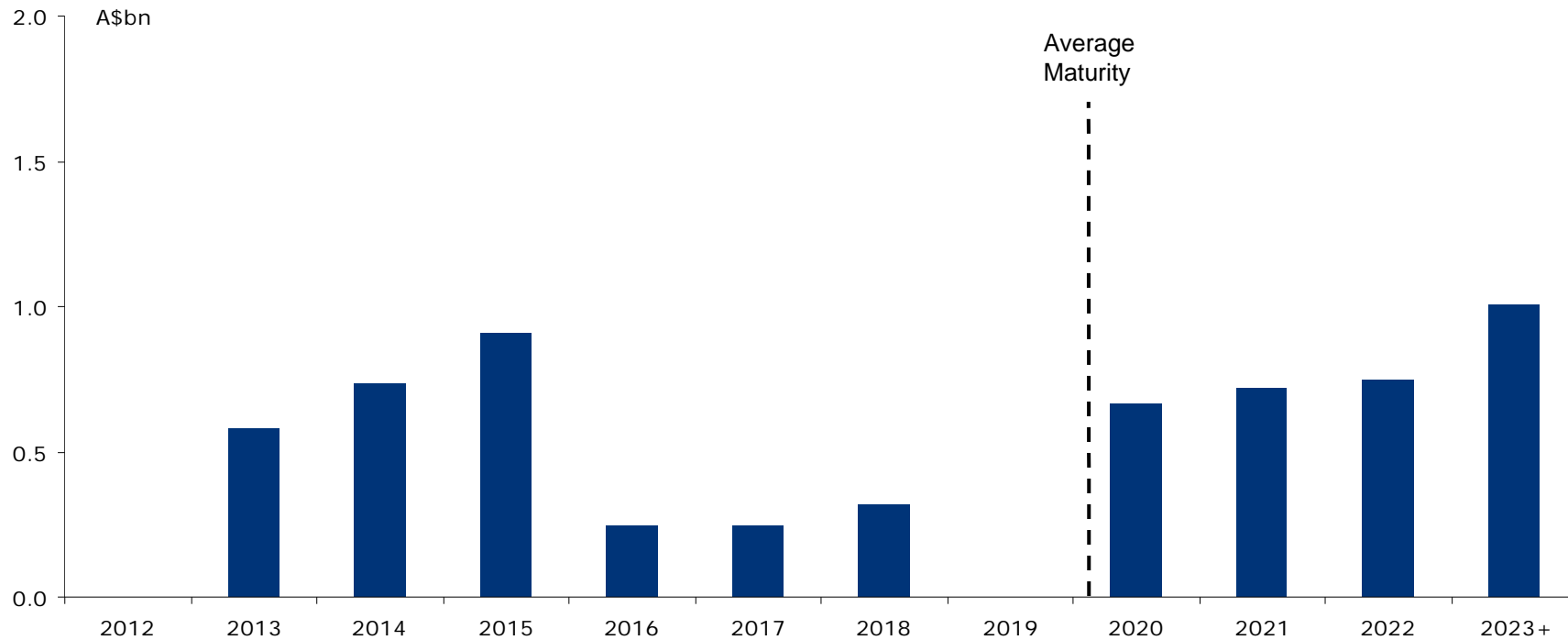
Sydney Airport Key Debt Metrics ¹	31 December 2011
Net Debt	A\$5.9 billion
Net Debt / EBITDA	7.4x
DSCR	2.2x
Rating	BBB / Baa2 / BBB
Next Maturity	October 2013
Next Foreign Maturity	July 2018 (Canadian Maple Bond)
Average Maturity	8 years

¹ Assumes SKIES refinancing completed on 31 December 2011, funding already secured to refinance 2012 bonds assumed drawn

Debt Maturity Profile

Smooth & Long Dated Maturity Profile

Sydney Airport Maturity Profile of Drawn Debt Based on 100% Ownership¹



¹ Funding already secured to refinance 2012 bonds assumed drawn



**Sydney
Airport**

The right future.
Starting now.

Key Drivers of Growth

Partnerships Driving Growth

Working With Stakeholders to Promote the Airport, Sydney & NSW



Stable Regulatory Environment

Productivity Commission Draft Report Supported Light-Handed Regulatory Environment

- ➔ Draft Productivity Commission report on Economic Regulation of Airport Services published August 2011
- ➔ Key recommendations are:
 - Continuation of current regime until at least 2020
 - No additional areas of monitored aeronautical facilities and services
 - ACCC monitoring should be reviewed and updated by mid-2013
- ➔ States that there is no evidence of excessive returns or anti-competitive behaviour by Sydney Airport
- ➔ Final report due to be published in first half 2012

Partnering with Airlines

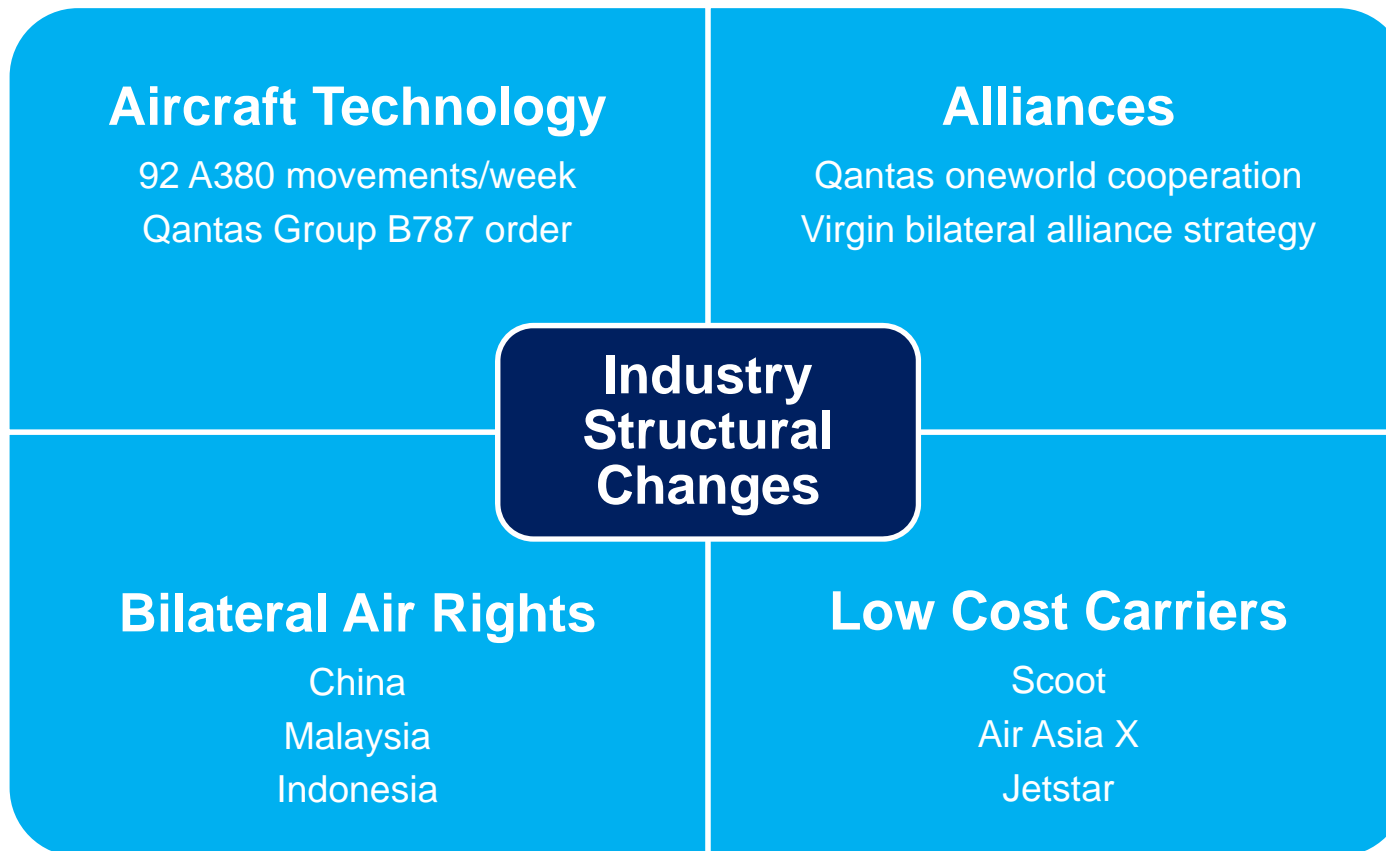
Focus on Close and Collaborative Relationships with Airline Partners

- Extension of International Aeronautical Pricing Agreement
 - Previously due to expire in mid-2012
 - International airline agreement extensions until July 2015
 - Includes NNI increases and existing consultation framework
- Involvement of key carriers in New Vision and Master Planning
- MoUs signed with Qantas Group and Virgin Australia facilitating ongoing collaboration
- Increased focus on working with airlines to deliver higher service levels; positive responses received



Deliver Growth From Structural Changes

Sydney Airport is Continuing to Deliver Growth from Industry Structural Changes



Driving Tourism Growth

Working with Wider Stakeholders for the Benefit of Sydney and NSW

- MoU with Destination NSW:
 - Coordinated tourism and aviation marketing
 - Joint approach to governments and airlines fostering Sydney and NSW growth
 - Promotion of Sydney as a destination
- Partnership has already delivered major successes:
 - Scoot's (Singapore Airline's LCC subsidiary) first destination will be Sydney in mid-2012
 - Air Asia X will fly from Kuala Lumpur to Sydney from April 2012



The Right Future. Starting Now.

New Vision will Deliver Growth from Improved Connectivity & Commercial Opportunities

- In December 2011, Sydney Airport announced a new vision for growth
- The new vision includes development of two airport precincts co-locating international, domestic and regional services under one roof by 2019
- **Improved Connectivity**
 - Significantly improved transfer product / passenger experience
 - Increased aircraft utilisation
 - Reduced airline costs
- **Increased Capacity**
 - More effective use of land and airside infrastructure
 - Increased gate utilisation through co-location and swing gates
 - Improved ground access
- **Reduced Congestion**
 - Quicker turnaround of aircraft
 - Reduced runway crossings
 - Reduce each precinct's peak gate flows by 10-20%

The Right Future. Starting Now.

Work on the New Vision Has Already Commenced

- Significant activity already underway in 2012:
 - Consultation with wider stakeholder group
 - Master planning
 - Negotiations around new investments (e.g. hangars) and potential lease reversions (e.g. T3 and the jet base)
- Additional investments remain discretionary and will be pursued where material value is identified

New Vision Timeline	2012	2013	2014	2015	2016	2017	2018	2019
Consultation	■							
Planning	■	■						
Potential Lease Reversion Negotiations	■	■						
Aeronautical Charges Negotiations	■	■						
Construction & Implementation			■	■	■	■	■	■



**Sydney
Airport**

The right future.
Starting now.

FY2012 & Outlook

2012 Key Investor Events

Sydney Airport – Simpler, Stronger & Clearer Investment Proposition

- Key investment characteristics:
 - Earnings growth potential
 - Resilience - robust and lower risk business
 - Airline agreements
 - Commercial opportunities

- First half 2012 key events include
 - Airport Institutional Investor Day
 - Financial Adviser Road Show
 - AGM
 - Release of Analyst Pack and Model

Sydney Airport Working With Partners to Drive Business Growth

- ➔ Deliver on corporate plan:
 - Grow revenue; carefully manage opex; deliver planned capex
 - Meet 2012 distribution guidance of approximately A\$0.21 per stapled security subject to external shocks to the aviation industry and material changes to forecast assumptions
- ➔ Partner with:
 - Airlines to drive passenger growth
 - Destination NSW to promote Sydney and NSW as a destination
 - Commercial operators to pursue new growth opportunities





**Sydney
Airport**

The right future.
Starting now.

Sydney Airport Full Year Results 2011

23 February 2012