



The right future.
Starting now.

Sydney Airport

Annual General Meeting

17 May 2012
Sofitel Sydney Wentworth Hotel

Disclaimer

General Securities Warning

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) and Sydney Airport Trust 2 (ARSN 099 597 896) (together, 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.

Foreign Ownership

Sydney Airport advised on 7 May 2012 that its foreign ownership was 36.2%.

Sydney Airport is not a “Foreign Person” under the Airports Act 1996 for so long as foreign ownership of Sydney Airport remains below 40%. As such, Sydney Airport is not currently a Foreign Person.

The SAT1 and SAT2 constitutions set out the process for disposal of securities to prevent Sydney Airport from becoming a Foreign Person or to cure the situation where Sydney Airport becomes a Foreign Person (Foreign Ownership Situation). Where a Foreign Ownership Situation occurs or is likely to occur, Sydney Airport can require a foreign security holder (on a last in first out basis) to dispose of Sydney Airport stapled securities. Sydney Airport has the power to commence procedures to divest foreign security holders once the foreign ownership of Sydney Airport reaches 39.5% under the Foreign Ownership Divestment Rules that it has adopted. If the foreign security holder fails to dispose of its Sydney Airport stapled securities, Sydney Airport may sell those securities at the best price reasonably obtainable at the time.

Sydney Airport Holdings Limited ABN 85 075 295 760 AFSL 236875 is the Responsible Entity of Sydney Airport Trust 1 (SAT1) and Sydney Airport Trust 2 (SAT2).

Directors

Sydney Airport Holdings Limited (SAHL)



Max Moore-Wilton (Chairman)



John Roberts



Trevor Gerber



Stephen Ward



Bob Morris



Kerrie Mather



Michael Lee

Agenda

1. **Chairman's Address**
2. **CEO's Report**
3. **Formal Proceedings**
4. **Refreshments**



Chairman's Address

2011 - A Year of Transformation

Simplified business for the long term benefit of investors

Portfolio transformed to a single focus on Sydney Airport

- Acquired an additional 10.9% interest in Sydney Airport from Ontario Teachers Pension Plan (OTPP) taking our interest to 85%
- In return, OTPP acquired our interests in Brussels Airport and Copenhagen Airports and paid \$801 million in cash
- Reduction in ongoing corporate expenses
- Kerrie Mather appointed CEO of Sydney Airport; appointment of very experienced senior management team

Investors Approved a Structural Simplification

- Reflecting the sole focus on Sydney Airport brand changed from MAp to Sydney Airport
- ASX ticker SYD

Investors received \$1.01 in cash payments during 2011

- Ordinary distribution of A\$0.21 per stapled security
- A\$0.80 payment as part consideration for the Simplification

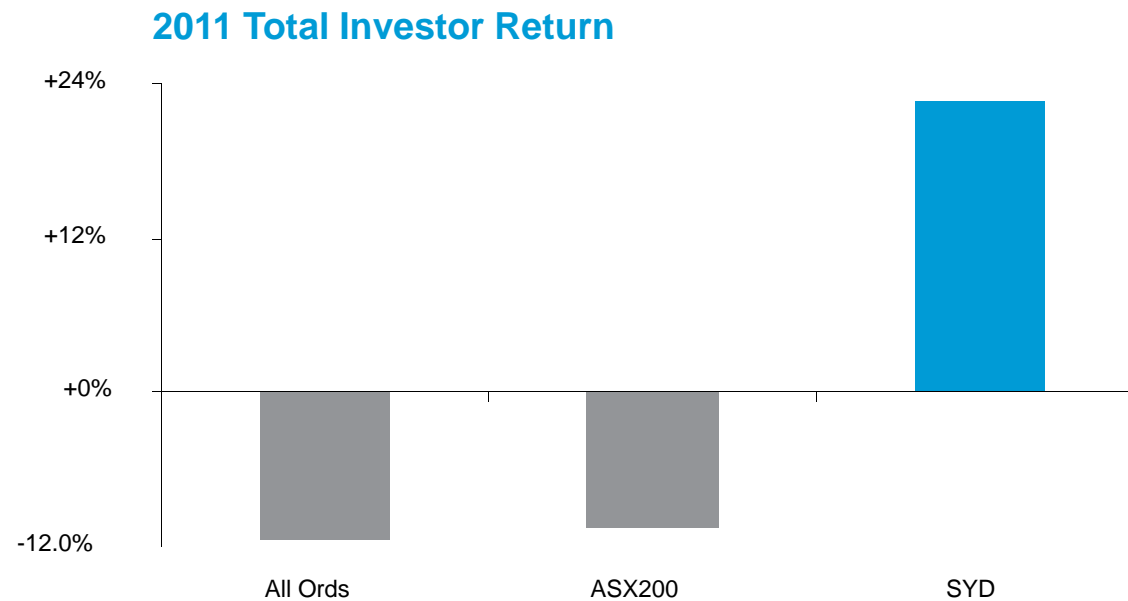
Total Investor Return Outperformance

Board and management have delivered significant value to investors

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%



A Sole Focus on Sydney Airport

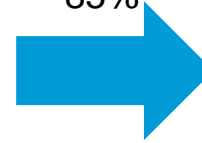
ASX-listed Sydney Airport is one of the largest and highest profile businesses in Australia

ASX-Listed Sydney Airport



- Listed on the ASX since 2002
- Enterprise Value of ~A\$12bn ¹
- A top 50 listed company in Australia
- ~33,000 investors

85%
Ownership



Sydney Airport



- 35.6m passengers in 2011
- Generates over 200,000 jobs
- Economic impact estimated as ²:
 - 6% of NSW economy
 - 2% of Australian economy

¹ Based on 31 December 2011 Directors' Valuation

² Source: <http://www.sydneyairport.com.au/corporate/about-us/economic-impact-report.aspx>

Powerful Investment Fundamentals

Sydney Airport enjoys a number of strong investment characteristics

The Business

- Gateway to Australia
- Core component of Australia's transport network
- Balanced and diverse revenue base from aeronautical, retail, car parking and property businesses
- Surplus aviation capacity
- Supportive regulatory environment

The Performance

- Proven track record of traffic growth
- Reliable, resilient cash flows
- Robust, low risk business
- Operational leverage and high EBITDA margin



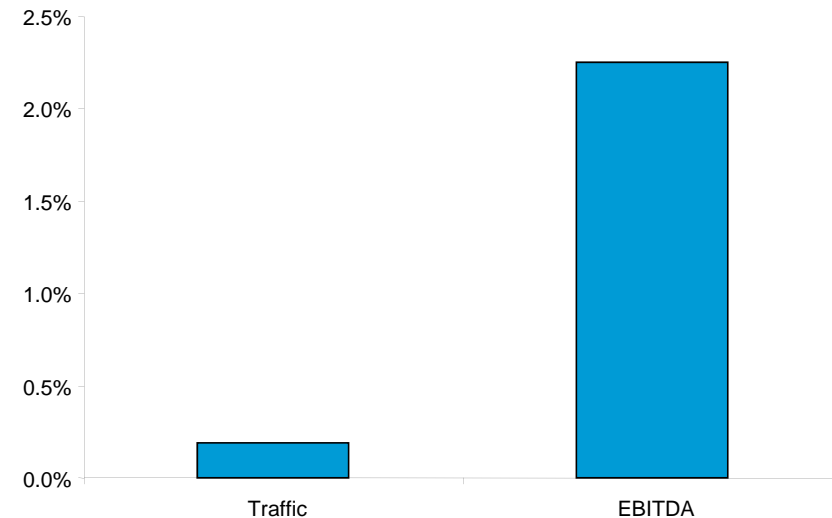
CEO's Report

2011 Performance Summary

Management delivered on a number of major operational initiatives in 2011

- Delivered traffic growth in a period with four natural disasters and two airline groundings
- EBITDA growth 2 percentage points higher than passenger growth
- Maintained very disciplined approach to controllable operating expenses
- Productivity Commission confirmed existing regulatory environment until at least 2020
- Announced New Vision, and extension of international aeronautical pricing agreements until 2015 (now with airlines carrying around 96% of pax)
- Strengthened the balance sheet:
 - Capex funded to 2014
 - Repayment of SKIES
- Appointment of highly experienced management team

2011 Sydney Airport Performance



YTD April 2012 Traffic

International passenger growth driven by Australian outbound and Asian inbound markets

- International passenger traffic growth of 4.5% for the year to April 2012
- Australian outbound accounts for approximately 50% of international traffic and has been a key driver of performance
- Increased capacity on Asian and Middle Eastern routes another major catalyst for growth
- AirAsia X commence daily service to Kuala Lumpur in April
- Scoot chose Sydney as its first destination and will operate services from mid-2012

Pax (000s)	YTD April 2012	YTD April 2011	Growth (%)
Domestic	7,885	7,971	-1.1%
International	4,063	3,890	+4.5%
DOC	30	19	+55.4%
Total	11,978	11,880	+0.8%

Distribution Guidance

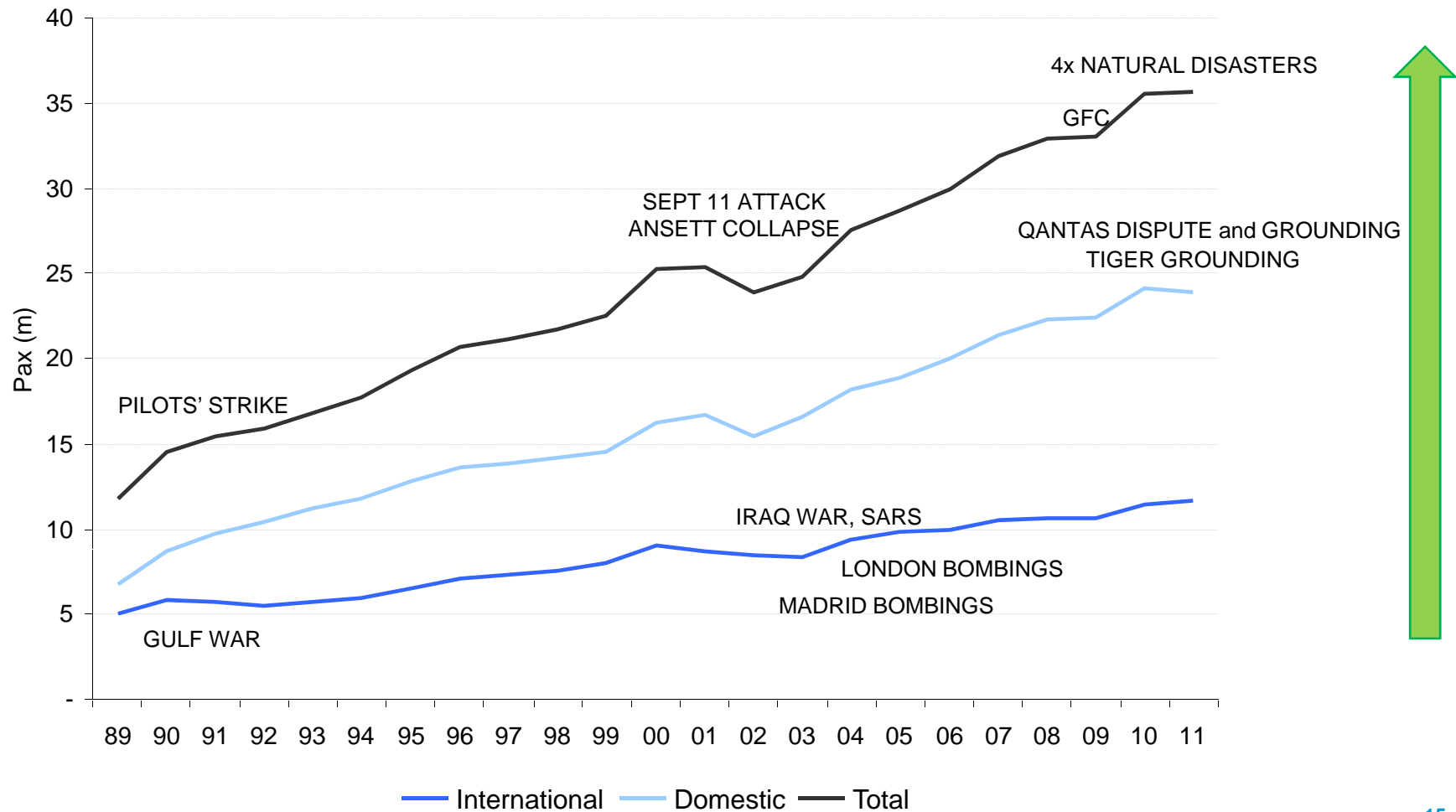
- Reaffirm 2012 distribution guidance of approximately A\$0.21 per stapled security
- Expect 100% coverage of 2012 distribution by net operating receipts defined as:
 - 84.8% of distributions declared by Sydney Airport¹
 - Less net listed entity expenses
- This is subject to external shocks to the aviation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

¹ Southern Cross Airports Corporation Holdings Limited

The Business Model

Traffic Resilience

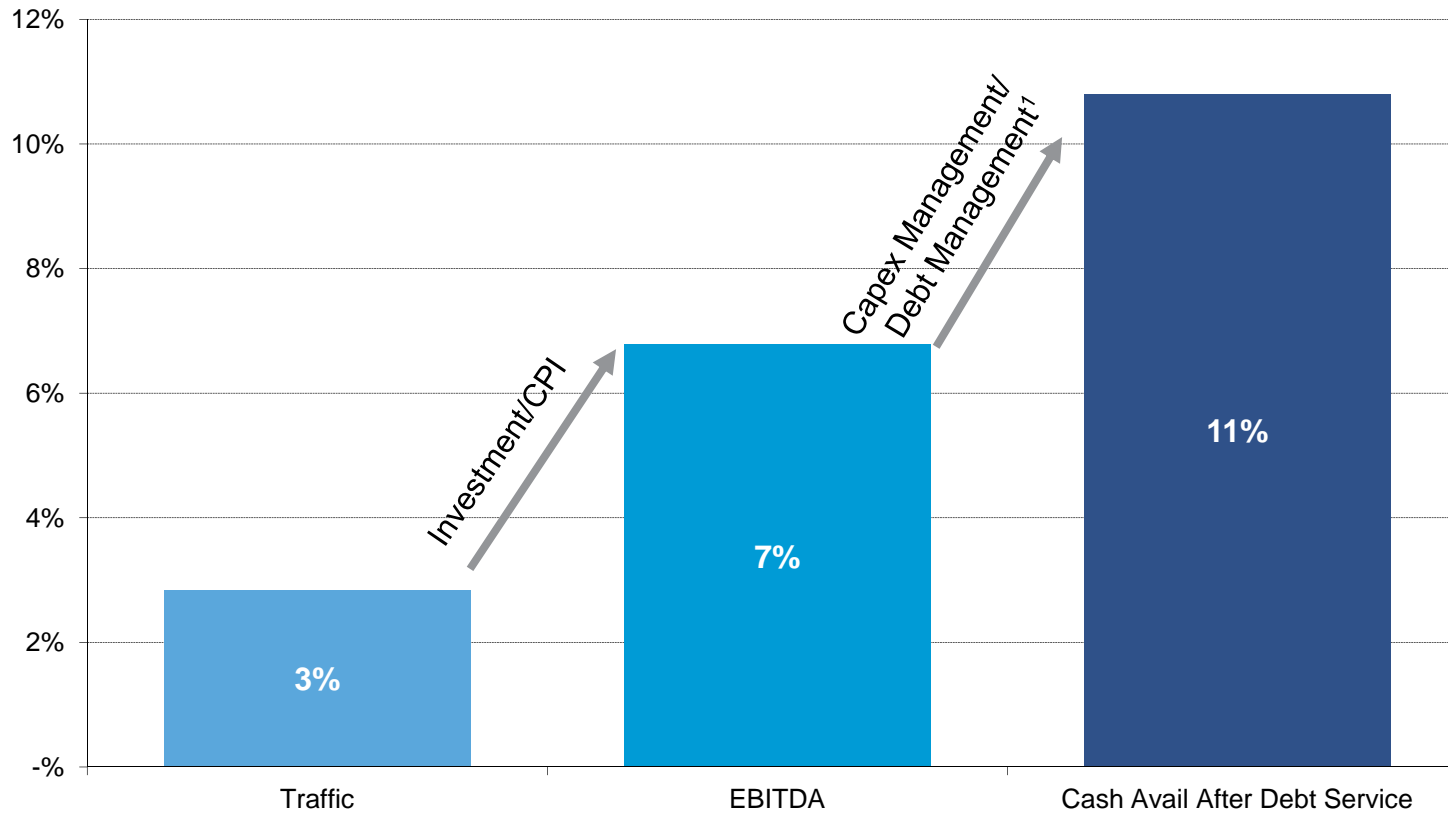
Long term traffic trends upwards despite significant shocks



Growing Cash Flow Over Time

2007-2011 delivered impressive conversion of traffic to growth in EBITDA and cash flows

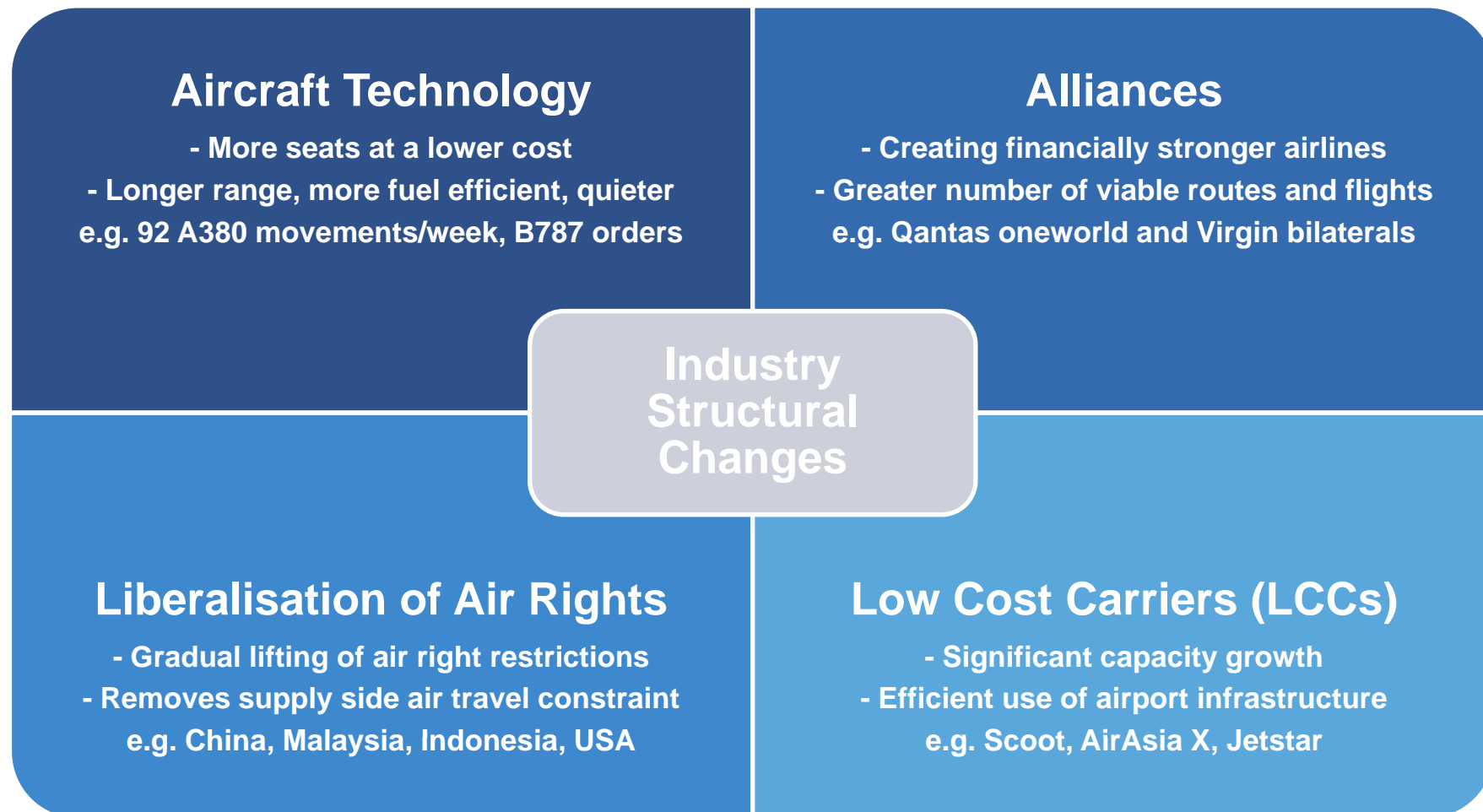
Sydney Airport CAGR 2007 - 2011



¹ Includes the benefit of degearing in 2008/09

Structural Traffic Drivers

Growth Will Continue As a Result of Structural Changes to the Industry



Sydney Airport has ample capacity on its runways and in its terminals

- The government approved master plan envisages passenger numbers will grow to 79 million without requiring changes to the runways, curfew or cap
- We are working on a new vision which will add to capacity to ensure Sydney Airport meets expected demand to at least 2045 without changes to the runways, curfew or cap
- Only 61% of Sydney Airport slots are currently being used
- Since 2000, 41% more passengers (approx 10 million people) have used Sydney Airport with only 0.3% more aircraft movements
- New generation, quieter and larger aircraft are transforming airport usage
 - In 1976 there was an average of 129 passengers per international flight
 - Today there is an average of 190 passengers per international flight
 - By 2030 that number is forecast to increase to 290 passengers per international flight
- The introduction of low cost carriers and the growth from Asian markets will assist Sydney Airport to maximise use of the airport across the off-peak periods during the day
- Investment of \$2 billion dollars has been made since privatisation. Sydney Airport will continue to invest in terminals, aprons and taxiways to meet demand and ensure it can operate to its maximum capacity
- Sydney Airport will continue to advocate that the NSW Government invest in improvements to roads and public transport for access to Sydney Airport

Sydney Airport

The Right Future

Starting Now

Our Vision

**To deliver a world class airport experience and
foster the growth of Sydney Airport for the
benefit of Sydney, NSW and Australia**

Partnerships Driving Growth

Sydney Airport's leadership team is changing the narrative, transforming the culture, and is focussed on delivering value and choice to all airport users

- As an engine of economic growth for Sydney and NSW, we strive to be
 - A partner of choice
 - A place to be proud of
 - An integral part of the community
- We are partnering with the aviation industry for growth
- We have strengthened our engagement with tourism and business partners
- We are advocating for improved transport links to Sydney Airport
- We are committed to improving choice and value
- We are embracing cultural change



Changing the Customer Experience

Commitment to providing the highest standards of customer service possible

Sydney Airport Customer Charter

We will work to ensure customers receive value at Sydney Airport by focussing on the following:

- Range and choice
- Enhance customer convenience
- Quality
- Value for money
- Competition
- Service
- Feedback

Sydney Airport Customer Service Committee = Customer First

- Deliver best service through all customer processes
- Measurement of performance against KPIs



Car Parking Transformation

Investing in car parking capacity to service the changing passenger mix

Improving the Customer Experience

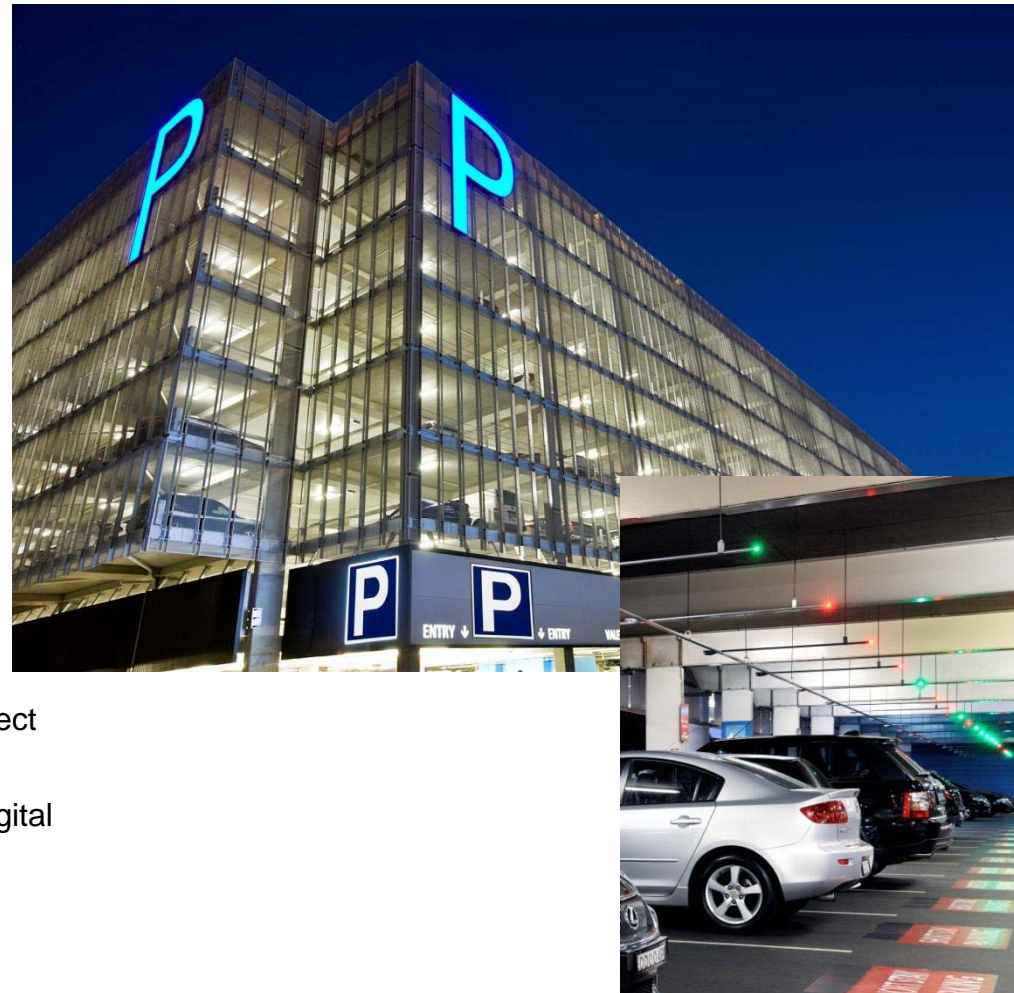
- Implement a customer-friendly online booking system
- Provide valet customers with a superior service
- Introduce a Parking Guidance System
- Replace entry/exit and pay stations

Develop New Products

- Identify opportunities within under-served customer groups
- Analyse capacity utilisation and create new products

Boost Marketing Efforts

- Communicate to our customers through Electronic Direct Mail
- Increase general awareness through traditional and digital media



Attractive and Competitive Online Offers

International Terminal	Description	Standard Rates	Discount	Target Market
"No Worries"	\$20 for up to 3 hours parking	\$29 for 2-3 hrs	31%	Greeters and Farewellers
"Jetsetter"	\$22 per day. Minimum stay 1 week	\$248	38%	Long Stay



Domestic Terminal	Description	Standard Rates	Discount	Target Market
"Long Weekend"	\$69 for up to 4 days parking. Entry on Friday or Saturday and exit by midnight Monday	\$224 for four days	69%	Leisure
"Valet Long Weekend"	\$20 upgrade to Valet for Long Weekend Booking	\$225 for four days	60%	Leisure
"Advance Park"	\$53.20 per day if booking more than 7 days in advance	\$56 per day	5%	Business
"Valet Advance Park"	\$68.40 per day if booking more than 7 days in advance	\$72 per day	5%	Business



Long Term Car Park	Description	Standard Rates	Discount	Target Market
"Budget Saver"	\$95 for up to 15 days parking	\$242	60%	Budget Leisure



Expanding Retail Choice and Value

Engaging customers through product, price and service standards

Choice

- Identify new space and agree best usage/mix
- Engage retailers
- Pop up retailers

Value

- Competitive pricing in Duty Free and Currency Exchange
- Travel essentials – water, coffee

Sydney Airport Academy

- Training customer facing staff
- Ongoing staff development
- Monthly retailer newsletter and quarterly meeting



New Vision in Partnership with Airlines

Significant benefits for airlines and customers

- In December 2011, Sydney Airport, together with Virgin Australia and the Qantas Group, announced a new vision for growth
- Includes development of two airport precincts co-locating international, domestic and regional services under one roof
- Transformative for the product offering to international passengers or to any Australian passenger that needs to transit
- Offers savings to the airlines by:
 - delivering quicker aircraft turn around times
 - streamlining airline operations into one airport precinct
 - largely eliminating the requirement for runway crossings
 - improving airport operations and efficiency
- Significant consultation and planning is already underway

Sustainability Update

A long term commitment to environmental excellence

- 2011 was the first full operational year of the minister approved Environment Strategy 2010-2015:
 - framework for achieving environmental sustainability
- Central Terrace Building achieved a '5 Star Green Star'
- Water recycling plant saved over 550,000 litres of water every day in 2011
- New waste contract targeting a 30% recovery of recyclable and organic material
- Infrastructure upgraded to reduce energy use



Outlook 2012 and beyond

The Sydney Airport team are focussed on and committed to delivering a world class airport

We are:

- Strengthening our partnerships with airlines
- Working with our tourism and business partners to attract more airlines/services and grow visitor numbers
- Continuing to improve the experience for all airport users by offering greater choice and value
- Capturing the benefits of the structural changes in aviation
- Delivering on our business model and investment programme
- Progressing the New Vision and developing the new master plan

Distribution guidance reaffirmed for 2012 of A\$0.21 per stapled security, subject to external shocks to the aviation industry and material changes to forecast assumptions.

Formal Proceedings

Summary of Business

1. Elect directors

Proxies Received

Total number of ASX-listed Sydney Airport stapled securities is 1,861,210,782

Resolution	Valid Proxies Received
SAT2 Resolution 1	1,299,286,179
SAT2 Resolution 2	1,297,685,927

SAT2 Resolution 1

Re-election of Max Moore-Wilton

- To approve the re-election of Max Moore-Wilton as a director of Sydney Airport Holdings Limited by its shareholder

SAT2 Resolution 2

Re-election of Trevor Gerber

- To approve the re-election of Trevor Gerber as a director of Sydney Airport Holdings Limited by its shareholder

Voting Cards

NON VOTING
ADMISSION CARD

VISITOR
ADMISSION
CARD

SECURITYHOLDER/
PROXYHOLDER
ADMISSION and
VOTING CARD

MEDIA CARD

Questions

Proxy Results

Total number of ASX-listed Sydney Airport stapled securities is 1,861,210,782

Resolution	For	Against	Undirected	Abstain
SAT2 Resolution 1	XXXX	XXXX	XXXX	XXXX
SAT2 Resolution 2	XXXX	XXXX	XXXX	XXXX

Voting

Destruction of Proxy Forms and Voting Papers

Refreshments

Thank you
for your attention