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Sydney Airport

Presentation to Macquarie Australia Conference

Please find attached a presentation to be delivered today by Sydney Airport's CEO, Kerrie Mather, at the Macquarie Australia Investment Conference.

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The right future.
Starting now.

Sydney Airport

Executing strategy to deliver sustainable growth

Kerrie Mather

Macquarie Australia Conference Presentation

1 May 2013

Disclaimer

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Executing strategy to deliver sustainable growth and distributable cash

Sydney Airport Fundamentals

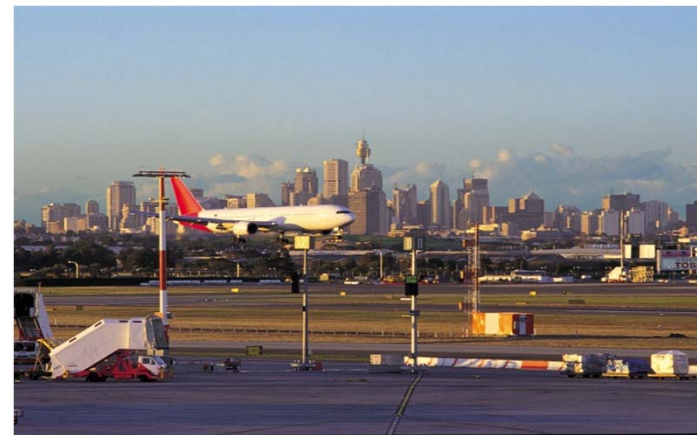
Sydney Airport enjoys a number of unique investment characteristics

The Business

- Australia's international gateway
 - 41% of all international arrivals and 48% of freight
 - 37 million passengers in 2012
 - Close proximity to CBD and major tourist attractions
- Direct and indirect economic impact, 6% of the NSW economy and 2% of the Australian economy
- Directly creates 28,000 jobs and \$9 billion in economic contribution
- 39 Airlines serving 95 destinations
- Light handed regulatory framework
- Diverse businesses with significant growth opportunities

The Performance

- Proven track record of traffic growth
- Reliable, resilient cash flows
- Robust, low risk business
- Powerful business model

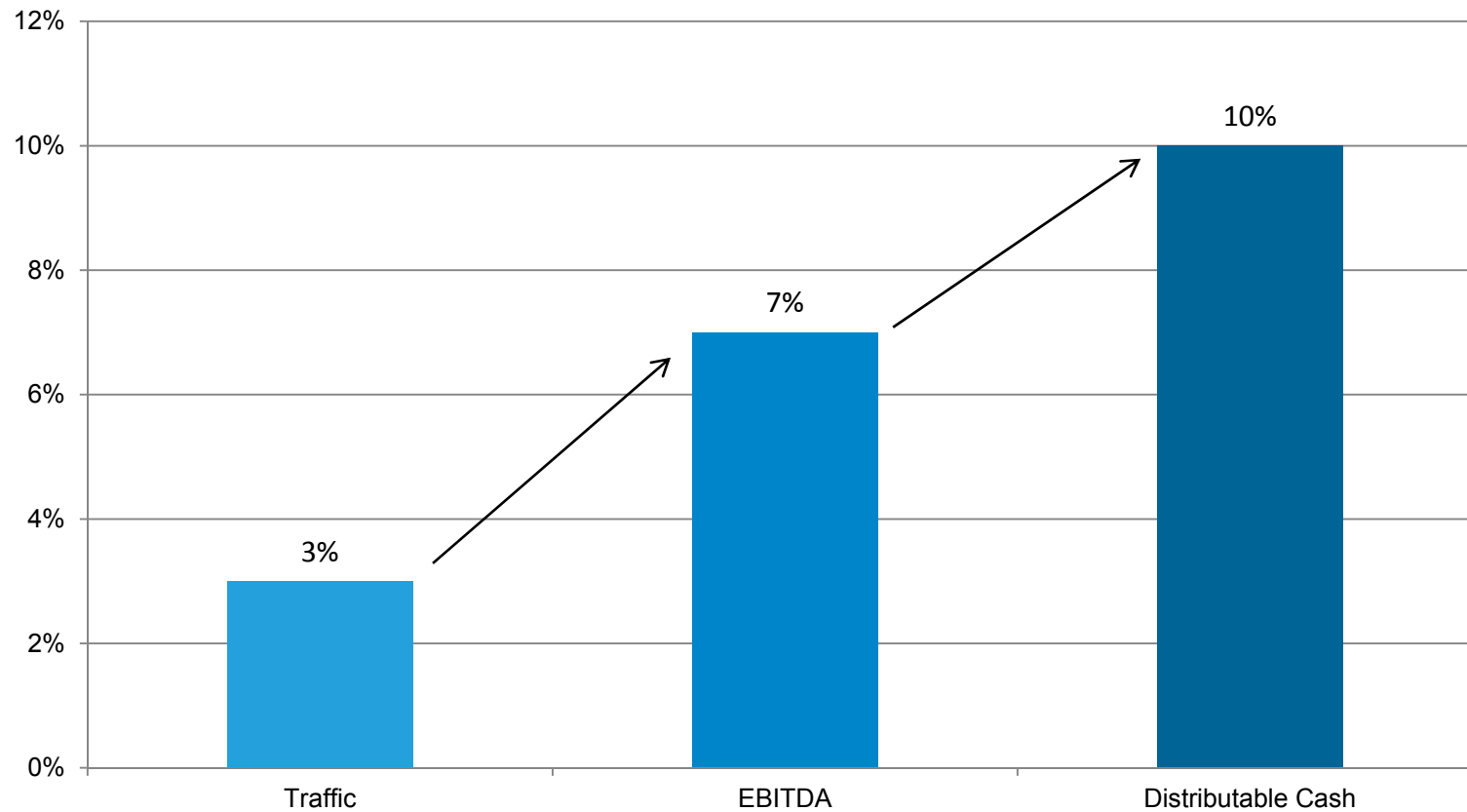


Operational leverage

5 year track record

Management initiatives drive operational leverage and cash flow growth

Sydney Airport CAGR 2007-2012¹



¹Includes the benefit of degearing in 2008/09

Sydney Airport Strategy



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

Executing strategy to deliver sustainable growth and distributable cash

EBITDA growth

Customer experience is a key focus

Aeronautical
Strategy

Retail
Strategy

Car Parking
Strategy

Property
Strategy

Traffic

Stakeholder and Partnership engagement is key to our success

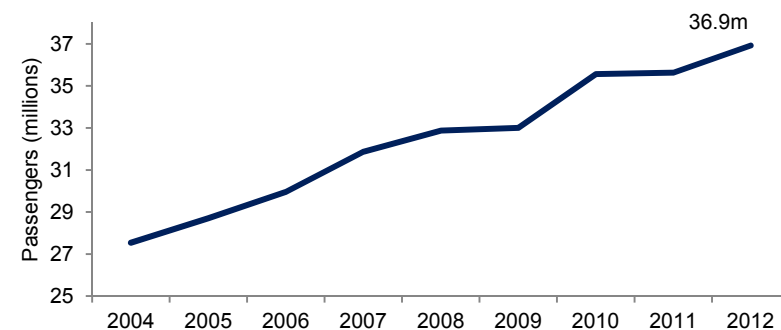
Traffic year to date up 3.2% and international up 3.6%

- Strong international passenger growth to date
- Significant capacity announcements and solid slot filings to date
- Potential for relaxation of a number of bilaterals
- 2013 growth to be driven by:
 - Adding capacity; upgauging and increased frequencies
 - Partnerships (QF/EK & VA/Partners)
 - Full year effect of Scoot and AirAsia X
- Potential new upcoming targets
 - Direct Indian service
 - Malaysian airlines/Air Asia X flight
 - China Southern upgauge

Monthly traffic numbers for 2013

	Jan	Feb	March	Year to date
Domestic	4.9%	3.4%	2.3%	3.0%
International	1.9%	3.1%	6.2%	3.6%
Total	3.8%	2.2%	3.5%	3.2%

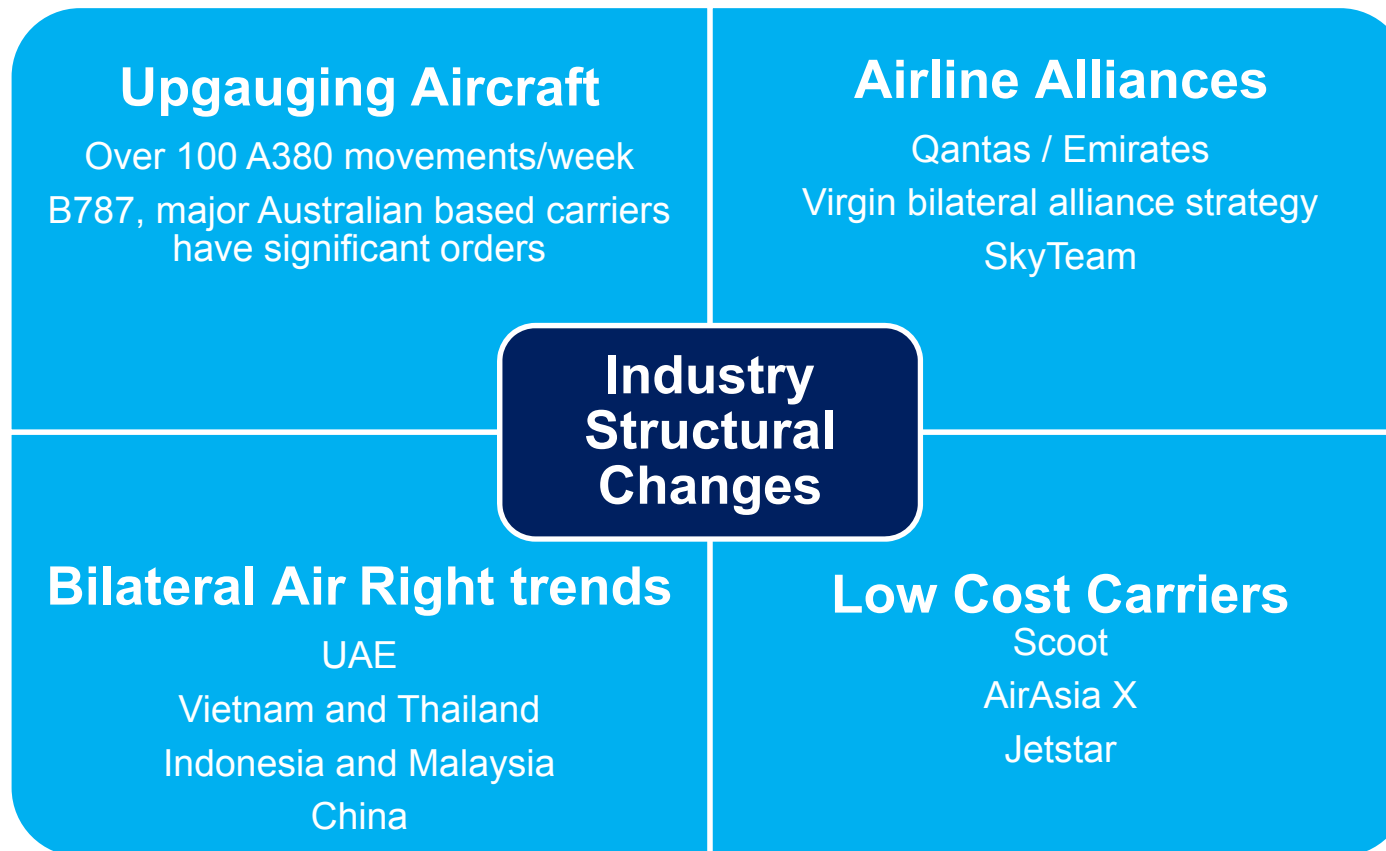
Historic traffic numbers



Traffic Growth Strategy

Supply trends

Sydney Airport is continuing to capitalise on opportunities from airline growth and industry structural changes



Traffic Growth Strategy

Demand trends

Sydney is proximate to 52% of the world's population, including large Asian markets



52% of world population within A330 Range, A330 Range – ca 11 hours

	Size of market (m)*	Sydney Airport share of pax (m)**	2012 growth**
Europe	740	1.5	2%
USA	314	0.6	2%
China	1,350	0.7	9%
India	1,260	0.2	11%
Indonesia	241	0.2	10%
Malaysia	29	0.2	44%
Japan	128	0.3	12%
Other Asia	1,252	0.8	11%

*Source: 2012 Population Reference Bureau

**Source: 2012 OAD

- More than half of the global population lives within range of an A330 or B777
 - Significant growth potential
 - China and India are individually larger than EU and USA combined
 - Indonesia is almost as large as the USA
 - Boeing 787 will have a longer range and will open routes not yet large enough to sustain a B747 or A380

Aeronautical Strategy

Delivering value through efficient management of aeronautical investment to meet demand

Strategy

To provide a world class passenger experience, while growing traffic and delivering efficient, cost effective infrastructure in line with airline demand which delivers an appropriate return

New developments

- Capacity expansion
 - Apron construction
 - Passenger facilitation
 - More self serve kiosks
- Facilities improvement



Retail Strategy

Providing more concessions, targeted at increasing product range and value to meet demand

Strategy

To provide a world class passenger experience, by delivering a contemporary retail offering, increasing the range and mix of retail and food and beverage offerings, while delivering appropriate returns

New developments

- Space expansion
 - T2 additional concessions
 - New pop up stores and in-fills
- Product choice and mix
- Marketing & promotions
- Contract management
 - Partnership approach with all retailers



Car Parking Strategy

Provide increased capacity, facilities, services, choice and value to meet customer demand

Strategy

To provide a world class passenger experience by providing more capacity, choice and value, responding to customer feedback and delivering appropriate returns

New developments

- 900 spaces in the domestic precinct, 20% capacity increase
- Continued improvement of car park infrastructure and facilities
- New targeted online offers
- Marketing and social media campaign



Property Strategy

Maximise the value of Sydney Airport's land bank through property developments and site leases, to meet demand

Strategy

To provide a world class passenger experience by providing more on airport services, ensuring the most efficient and sustainable use of land, while delivering appropriate returns

New developments

- Rydges development complete, grand opening this month
- Hotel delivers a ground rent for the airport, contribution to EBITDA to commence immediately
- Etihad lounge development to open by end 2013



Partnerships promoting growth

Sydney Airport is collaborating with all our partners to grow airline services, improve the passenger experience and enhance the infrastructure

Promoting growth through partnership



Optimising airport infrastructure

- Extensive consultation with airline customers and other stakeholders to ensure all investment is demand led and just in time

Enhancing service levels

- Border agency resourcing and technology
- Facilitation of foreign-language passengers
- Working closely with government to ensure our security is best in class

Improving airport access

- Working closely with the NSW Government and AECOM
- Solutions will result in better future performance than today

Investment program delivering significant capacity expansion and flexible infrastructure

Capacity

- Sydney Airport expects to have sufficient capacity until at least 2045
- Approximately 63% of slots utilised and average slot usage is 51 slots per hour
- New generation, quieter and larger aircraft are transforming airport usage
- Since 2000, 40% more passengers, with minimal movement increase
- TTF and government reports support:
 - Maximising existing Sydney Airport efficiency and use
 - Changes to current operating restrictions, making Sydney Airport substantially more efficient and increasing capacity
 - Identifying and preserving a secondary airport site for the long term

Program of investment

- \$700m 2013-2015 capex guidance focused on capacity delivery
- No single project over \$50m
- Consistent with historic investment levels

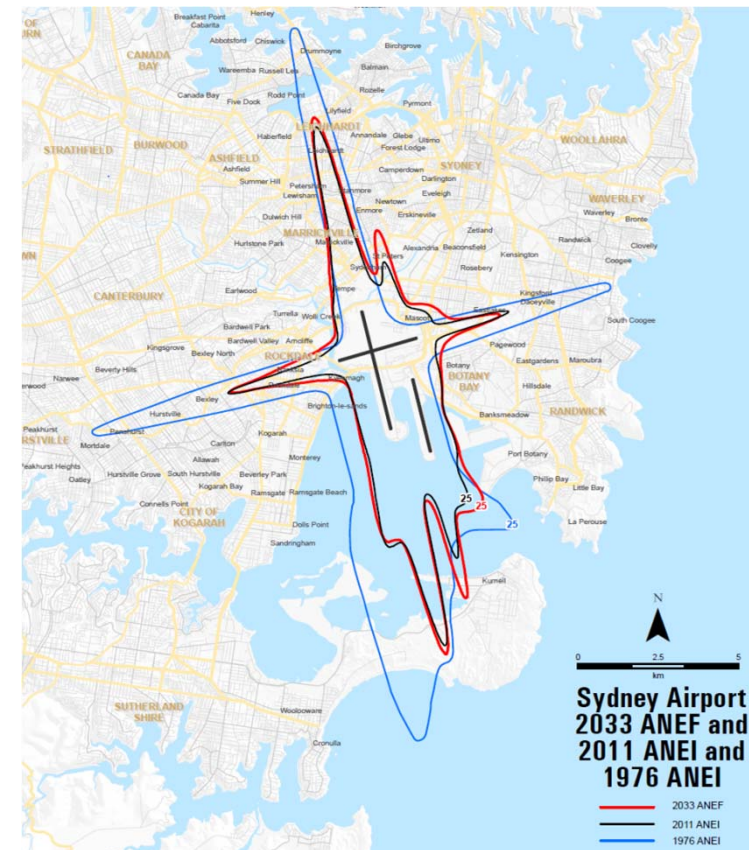
Prudent investment strategy

- No change to investment approach:
 - Incremental investment
 - Demand-led development
 - Just in time
 - Stringent hurdles
 - All developments in line with long term plan

Sydney Airport ANEI 2011 and 1976

Sydney Airport noise foot print has reduced 36%

- The area of land within this noise contour has decreased by 1.15 million hectares or 36% since 1976
- New generation quieter aircraft continue to replace older noisier aircraft
- Aircraft coming off the production line today are about 75% quieter than they were 40 years ago. The aviation industry is working to reduce this further
- Sydney Airport's past, present and future investment in infrastructure to accommodate these new aircraft will ensure Sydneysiders continue to benefit from their arrival into service



The diagram on this page illustrates the benefits of quieter aircraft, by comparing three noise exposure contours: one from 1976 (when the fleet comprised older noisy jets), one from 2011 (when new generation quieter aircraft are being introduced), and a forecast for 2033.

The draft Master Plan preserves flexibility to expand in line with demand and meet continually evolving airline customer needs

Consultation

- 2 years of stakeholder consultation with:
 - Airlines and airport forums;
 - State and federal governments;
 - 25 local councils; and
 - The broader community

Design Principles

- Improve ground transport
- Increase airline efficiency
- Enhance passenger experience
- Maximise flexibility
- Develop in line with demand

Development Concept

- Integrated international, domestic and regional terminals
- Additional contact gate capacity
- Ground transport interchanges in the T1 and T2/T3 precincts
- Pinch point improvements in and around the T1 and T2/T3 precincts

Delivering these Outcomes:

- Improved ground transport access;
- Simplified transfer passenger journeys;
- Enhanced airline efficiency on the airfield and in the terminals;
- Facilitates airlines' product development;
- Maximising flexibility;
- Adaptability embedded into the; development concept; and
- Greater productivity of existing assets

Outlook

Executing strategy to deliver sustainable growth and distributable cash

- 2013 operating environment and economic outlook is in line with expectations
- Focus on driving EBITDA and cash flow outperformance of traffic growth
- Stimulate passenger growth through tourism leadership and airline marketing
- Execution of new business initiatives to improve choice, value and customer penetration
- Prudent management of costs and capex
- Continued focus on future planning to maximise efficiency, infrastructure productivity and improve passenger experience
- Preserve maximum investor value through ATO process
- Distribution guidance update will be given at AGM on 16 May



Thank you
for your attention

Questions?