



Sydney Airport

Annual General Meeting

16 May 2013
Swissotel Sydney

General Securities Warning

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Foreign Ownership

Sydney Airport advises that on 3 May 2013 its foreign ownership was 29.6%.

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).

Sydney Airport Holdings Limited (SAHL)



**Max Moore-Wilton
(Chairman)**



John Roberts



Trevor Gerber



Stephen Ward



Bob Morris



**Kerrie Mather
(CEO)**



Michael Lee

Agenda

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



Chairman's Address

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

Investor return

36% total investor return for 2012, inclusive of 21 cent per security distribution

FY 2012 Total Investor Return:

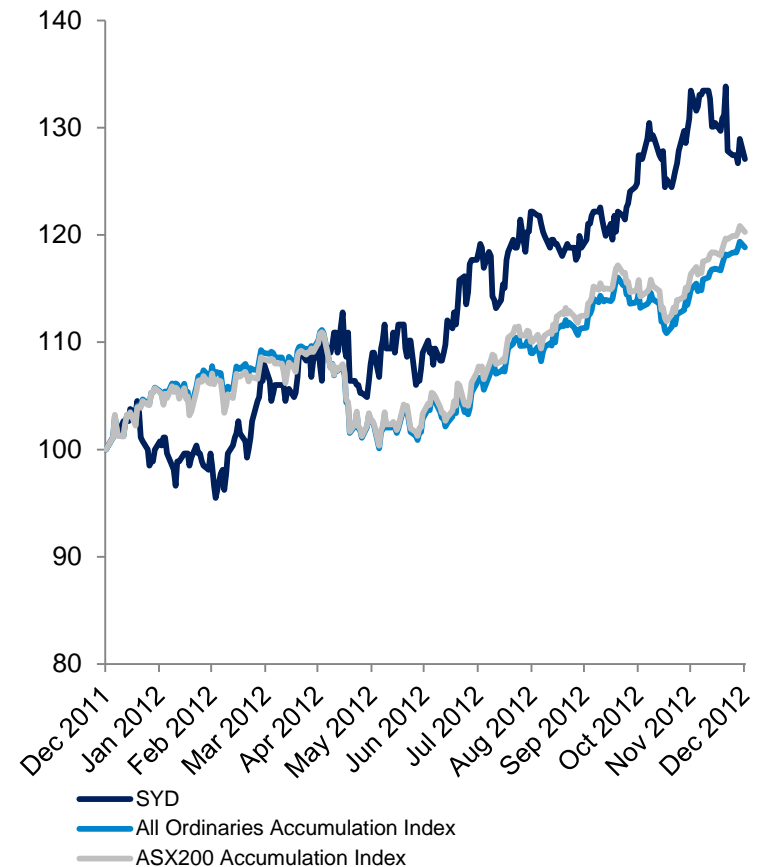
- Outperformed the ASX200 Accumulation Index by 16%
- Outperformed the All Ords Accumulation Index by 17%

Average annual investor return since listing of 16%

\$2 invested at IPO in 2002, if you invested your distributions, would be ~\$10 today

Foreign ownership is below 30%

Retail ownership increased from 15% in December 2012 to 19% today



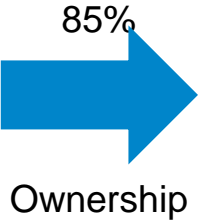
Source: IRESS

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
- A top 50 listed company in Australia
- ~36,000 investors



Sydney Airport



- 37m passengers in 2012
- Generates over 28,000 jobs and over \$27 billion for the economy
- Economic impact estimated as:
 - 6% of NSW economy
 - 2% of Australian economy

Sydney Airport enjoys a number of unique investment characteristics

The Business

Australia's international gateway

- 42% of all international arrivals and 48% of international air freight
- 37 million passengers in 2012
- 8 km to CBD and major tourist attractions
- Direct and indirect economic impact, 6% of the NSW economy and 2% of the Australian economy
- Creates 28,000 jobs and \$27 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



CEO's Report

2012 – A year of delivery

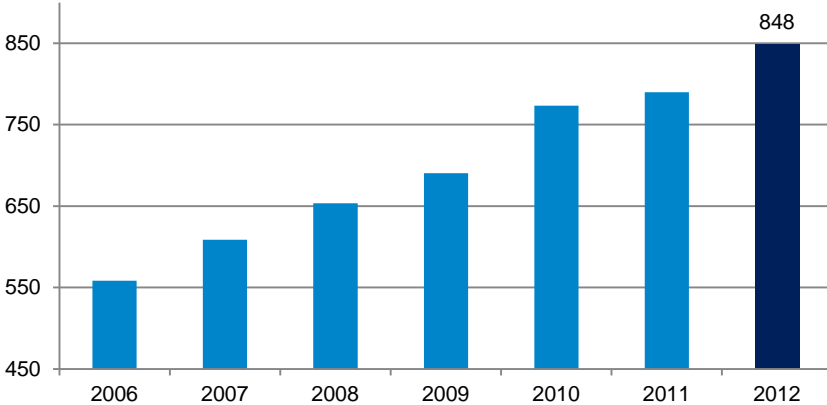
January	New retail concessions opened at T2	August	Installation of new car park equipment including entry, exit gates and pay machines
February	Construction begins at Rydges Hotel		New nine storey car park opened at T1
	Extension of the Aero charges agreement to 2015	September	New car parking strategy delivered, with new products and online booking system
March	Customer charter emphasising choice value and convenience adopted	October	First concept Coffee Club opens, along with Omega and Mont Blanc stores in T1
	Parking guidance systems installed at T1 and T2	November	Refinance successfully completed
April	AirAsia X commences daily flights from Kuala Lumpur	December	Body Scanners introduced
	1,000 spaces added to Blu Emu car park		Chinese iphone app released and dynamic wayfinding signage installed
June	Sydney Airport hosts worldwide inaugural service of new low cost carrier Scoot		New Virgin lounge opens
July	Tiger Airways establishes new Sydney base		Delivery of T2 extension including 5 new contact gates

2012 Performance summary

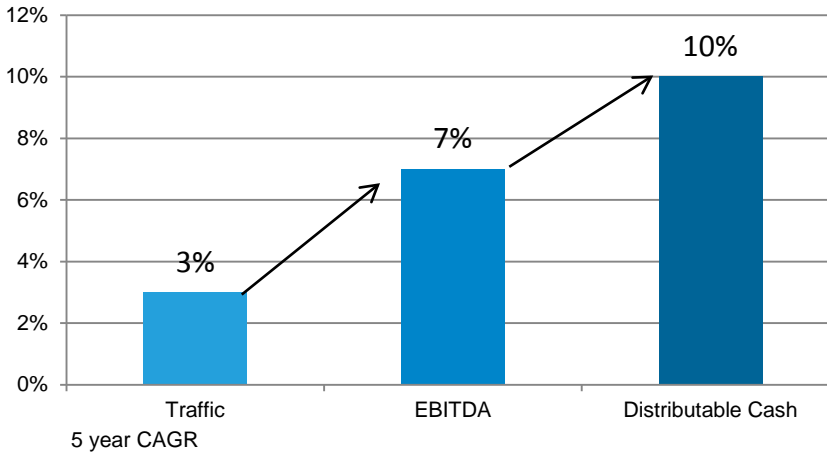
Management initiatives drive EBITDA and cash flow growth

- Delivered EBITDA growth every year since privatisation, 42 consecutive quarters of growth, \$848m EBITDA
- 7.4% underlying EBITDA growth
- 5.6% international passenger growth and 3.6% total passenger growth
- Net Profit Attributable to Investors \$179.2m
- Maintained disciplined approach to controllable operating expenses
- Net Operating Receipts 100% covered distribution
- 21c distribution paid
- Capex funded into 2016

EBITDA growth (100% of Sydney Airport)



5 year track record of growth



YTD April 2013 traffic

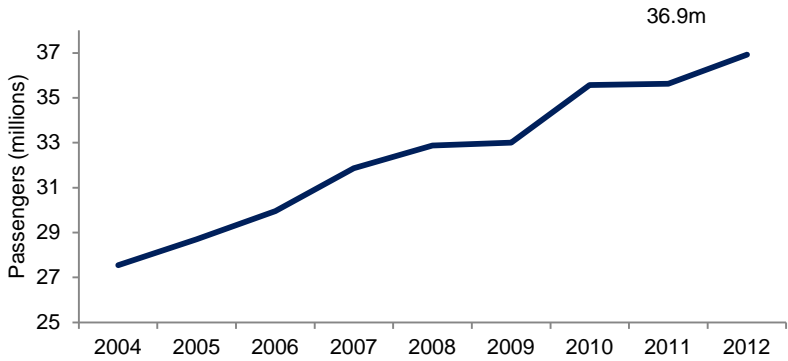
Traffic year to date up 3.2% and international up 3.2%

- 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
- Significant growth markets
 - India
 - China
 - Malaysia and Indonesia

Monthly traffic numbers for 2013

	Jan	Feb	March	April	Year to date
Domestic	4.9%	3.4%	2.3%	3.7%	3.2%
International	1.9%	3.1%	6.2%	1.9%	3.2%
Total	3.8%	2.2%	3.5%	3.1%	3.2%

Historic traffic numbers



Sydney Airport is confident of its position and will seek to preserve investor value

The facts

SAHL has received an ATO Position Paper relating to deductibility of certain distributions paid on redeemable preference shares (RPS)

The issues raised in the position paper are not Sydney Airport specific

The ATO has not issued an Amended Assessment, and no tax is due

The Directors are confident that the relevant distributions on RPS are tax deductible

Sydney Airport position

The Directors will consider all available options to protect the position of investors

The timing of a final resolution on this matter remains uncertain

Further information

The ASX releases and a related FAQ document are available on the Sydney Airport website:

www.sydneyairport.com.au/investors/news-and-events/asx-releases

2013 distribution guidance of approximately 22.5 cents per stapled security

- Announcing 2013 distribution guidance of approximately 22.5 cents per stapled security
 - Representing distribution growth of 7% headline and 13% underlying
- Expect continued full coverage of 2013 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, material changes to forecast assumptions as well as the progress of the ATO action

Our Strategy for Growth

Supply and demand side traffic trends

Sydney Airport is continuing to capitalise on opportunities from both demand and supply side traffic trends

Supply side

New generation larger aircraft

Partnerships

- QF/EK, VA & partners & SkyTeam

Low Cost Carriers

- Scoot, AirAsia X and Jetstar

Bilateral Air Right trends

- Malaysia, China and Vietnam

Partnerships



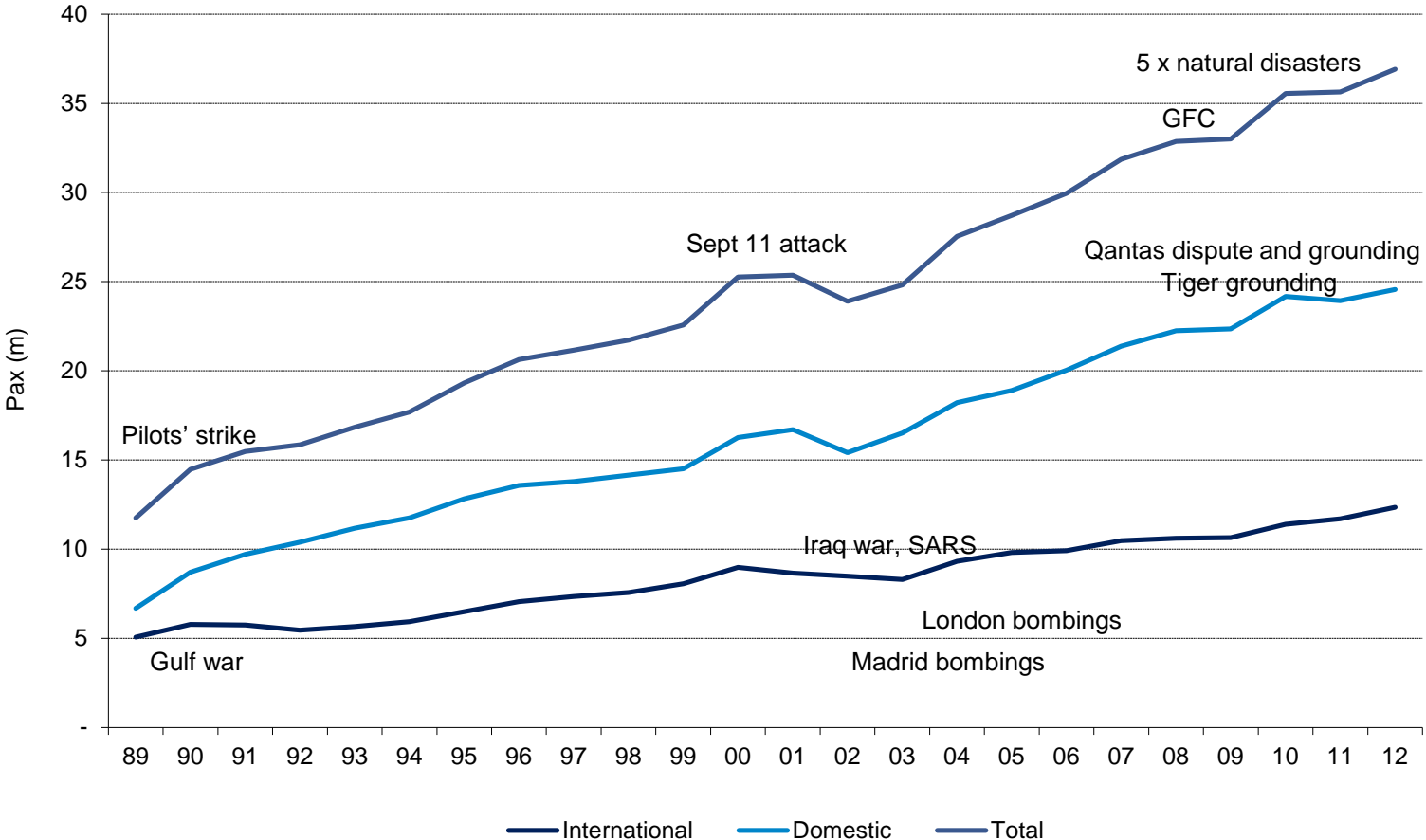
Demand side

Sydney, Australia's international gateway

Proximity, more than half of the world's population lives within 11 hours or A330/B777 range

Asian markets are quickly emerging, with large populations and increasing propensity to travel

Long term traffic trends upwards despite significant shocks



Aeronautical strategy

Delivering value through efficient management of aeronautical investment

Strategy

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

New developments

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



Provide more concessions, targeted at increasing product range and value

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

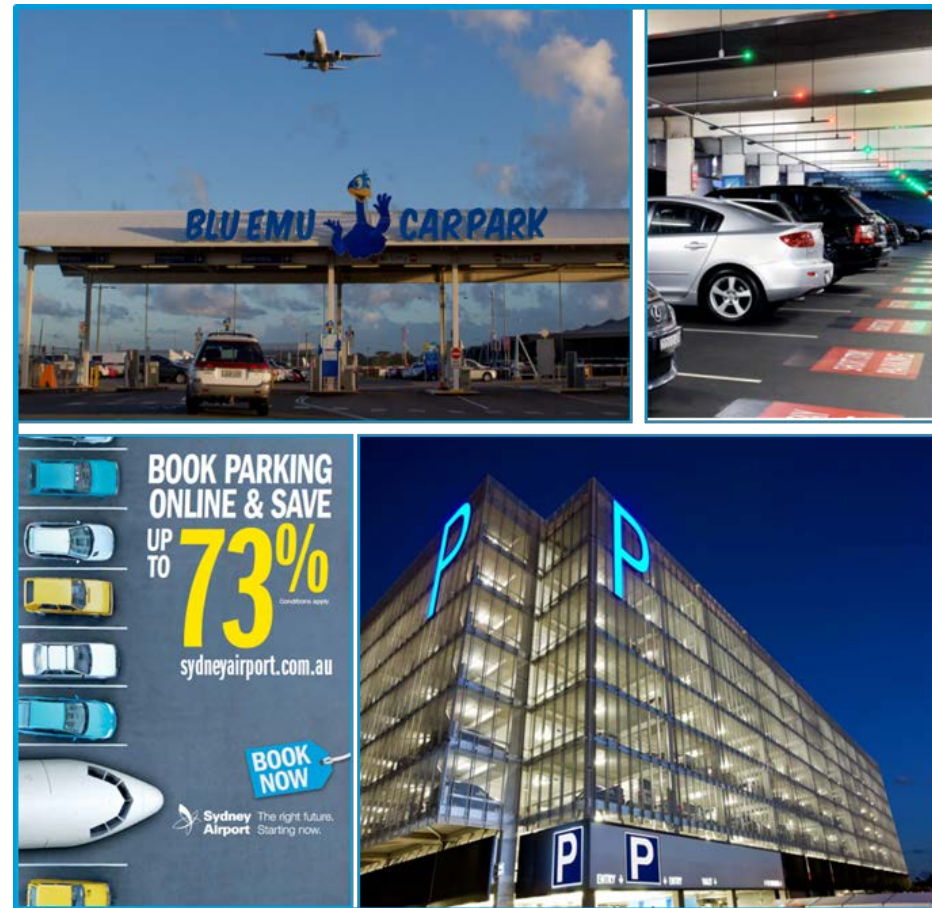
Provide increased capacity, facilities, product, choice and value

Strategy

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

New developments

- 900 spaces in the domestic precinct, 20% capacity increase
- Continuing 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



Joint NSW and Australian government studies confirm Sydney Airport has adequate capacity to meet air traffic demand for the foreseeable future

1. Sydney Airport has 3 runways and 3 terminals, with a terminal design and space which lends itself to incremental expansion
2. Since 2000 passengers have increased by more than 46%, with less than 3% increase in aircraft take offs and landings as a result of larger aircraft
3. 37% of Sydney's regulated runway movement cap is still available for future growth
4. Sydney Airport supports the preservation of a site for a secondary airport in the future. We have a first right over any secondary airport



Our focus on service and the customer experience

Sydney Airport

The right future

Starting now

Investing in growth for 2013

Sydney Airport will continue to invest for growth in 2013

Ground transport and car parking

- Development with government of the pinch-point program
- Increase of 900 spaces in domestic precinct, expanding capacity
- Launch of targeted online specials
- Improving facilities; guidance and signage systems; new entry gates; cashless exit; and pre booking facilities



Customs facilitation

- Increased smart gates, increasing automated processing through customs
- Increased functionality and eligible users of smart gates, reducing passenger time spent in customs
- Increased space for customs processing, assisting passenger circulation



Airport parking aprons

- Building new aircraft parking bays
- Reconfiguring aircraft parking bays to ensure greater flexibility for larger aircraft (particularly A380)
- Aprons increase flexibility of operation and accessibility for larger aircraft
- Net effect of increasing peak capacity and are extremely important for efficient airport operation



Investing in value and choice

Investing in value remains core to the long term strategy to drive growth in revenue

Retail

- Travel essentials pricing – coffee starting price point \$3.50, water starting price point \$3.00
- Currency exchange specials and online pricing
- All retailers benchmarked regularly against their city counterparts to ensure competitiveness
- Increased range and choice, at various price points



Car Parking

- Increasing the range of products, services and price points; linked to customer needs
- Online specials including:
 - Weekender: 4 days from \$69 at T2/T3
 - Super Saver: Up to 15 days for \$99 at Blu Emu
 - Great Escape: Up to 1 month for \$199 at T1
 - No Worries: Up to 3 hours for \$20 at T1



Improving the customer experience remains a key focus beyond 2012

Key successes in 2012

Sydney's passenger satisfaction rating improved year on year with a large majority of our passengers rating their overall experience as good to excellent

Customer experience committee formed aligning all areas of the business in order to develop holistic solutions

Key initiatives

- Continuing significant improvements in car parking and ground transport
 - Car park guidance systems
 - Car park cashless exit
 - Additional car park spaces
- Upgrading passenger facilities
 - Upgrading bathroom facilities
 - Landscape and lighting upgrades
 - Red and Gold ambassadors



Random acts of Kindness – Sales Driver



Gold Ambassador giving directions

Sydney Airport is a strong supporter of the local community

Nine community consultation sessions, in the areas surrounding the airport

Social media launch as a new channel to communicate directly with the community

Thirteenth year supporting the Nippers program run by Surf Life Saving Sydney

Christmas giving tree, raising more than \$116,000 for the Starlight foundation

The 11th year of supporting local schools, with funding for environmental initiatives and school upgrades

Supporting local sport, with the funding of training and equipment for local clubs



Investing in our environment and sustainability

Sydney Airport is committed to driving sustainable aviation growth, maximising energy, water and waste efficiencies and reducing noise

- Our five year environmental strategy details 11 action plans which provide a framework for achieving environmental sustainability
- In 2012 Sydney Airport's commitment to sustainability was recognised in the 10-year Sustainability Achievement award in the Green Globes
- Installation of fixed electrical ground power and air-conditioning, minimising power usage and noise by aircraft
- Water recycling plant delivers increased water savings, 220m litres of water recycled in 2012
- Energy and water savings action plan updated, after significant consultation



Integrated ground transport plan to significantly improve traffic flows and service levels

Sydney Airport welcomes government initiatives to alleviate congestion

WestConnex

- Western freeway bypassing Sydney Airport, diverting non-airport traffic away from Airport Drive

Pinch point alleviation

- Traffic management changes

Public Transport

- Provision of additional train and bus services

Sydney Airport Ground Transport Strategy

- Proposed one way pairs system at domestic precinct reduces congestion at entry and exit points
- Realignment of international precinct internal roadway configuration to facilitate better traffic flow
- Provision of shuttle bus 'slip lane' at corner of Lords Ave and Ross Smith Ave to enable quicker transit times from the Blu Emu Car Park
- Improved capacity within the main taxi holding bay at the domestic terminal

Master plan

The draft Master Plan preserves flexibility to expand in line with demand, meet the needs of the evolving aviation market and will improve the customer experience

Consultation

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

Design Principles

- Enhance passenger experience
- Improve ground transport
- Increase airline efficiency
- 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
- Facilitating airlines' product development
- Maximising flexibility
- Adaptability embedded into the development concept
- Greater productivity of existing assets

Executing strategy to deliver sustainable growth and distributable cash

We are:

- Focusing on driving EBITDA and cash flow outperformance of traffic growth
- Stimulating passenger growth through tourism leadership and airline marketing
- Executing new business initiatives to improve choice, value and customer penetration
- Prudently managing costs and capex
- Preserving maximum investor value through ATO process
- Continuing to focus on future planning to maximise efficiency, infrastructure productivity and improved passenger experience

Distribution guidance announced for 2013 of 22.5 cents per stapled security, subject to external shocks to the aviation industry and material changes to forecast assumptions as well as the progress of the ATO action

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	1,269,566,955
SAT2 Resolution 2	1,251,293,457

Re-election of Michael Lee

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

Re-election of John Roberts

- To approve the re-election of John Roberts 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

Proxies results

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

Resolution	For	Against	Undirected	Abstain
SAT2 Resolution 1	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx
SAT2 Resolution 2	xxx,xxx	xxx,xxx	xxx,xxx	xxx,xxx

Voting

Destruction of Proxy Forms and Voting Papers

Refreshments

Thank you
for your attention