21 FEBRUARY 2018

FULL YEAR RESULTS 2017

Sydney Airport

Geoff Culbert
Chief Executive Officer

Greg Botham
Chief Financial Officer

Disclaimer

Sydney Airport

General securities warning

This presentation has been prepared by Sydney Airport Limited (ACN 165 056 360) ("SAL") in respect of ASX-listed Sydney Airport ("SYD"). SYD is comprised of the stapled entities SAL and Sydney Airport Trust 1 (ARSN 099 597 921) ("SAT1"). The Trust Company (Sydney Airport) Limited (ACN 115 967 087/AFSL 301162) ("TTCSAL") is the responsible entity of SAT1.

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 SYD, 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 SYD or any other entity. 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 SAL and TTCSAL. Past performance is not a reliable indication of future performance.

Sydney Airport advises that on 18 January 2018 foreign ownership was 28.4%.

Highlights

Sydney Airport

Results at a glance

REVENUE

$1,483.3m

↑ **8.7%** from 2016

NET OPERATING RECEIPTS*

$789.8m

↑ **13.5%** from 2016

PASSENGERS

43.3m

↑ **3.6%** from 2016

EBITDA*

$1,198.9m

↑ **8.3%** from 2016

FULL YEAR DISTRIBUTION PER SECURITY

34.5c

↑ **11.3%** from 2016

AIRCRAFT MOVEMENTS

348,522

↑ **0.6%** from 2016

* Excluding WSA and business acquisition costs.

Strong growth across the business

Sydney Airport

Our strategy is delivering sustainable results across all businesses

Aeronautical	Retail	Property and Hotels	Parking and Ground Transport
$670.6m revenue	**$333.1m** revenue	**$221.4m** revenue	**$159.5m** revenue
↑ **9.2%** from 2016	↑ **12.7%** from 2016	↑ **8.4%** from 2016	↑ **2.2%** from 2016

Initial thoughts after first five weeks

Initial observations

1. Stellar performance and a well defined strategy
2. Deep and experienced team
3. Strong stakeholder relationships
4. Positive company culture
5. Commitment to sustainability
6. Significant business growth potential

Strong passenger growth

Sydney Airport

Sydney Airport has successfully competed internationally to attract airlines and grow inbound tourism, driving significant economic growth for NSW and Australia

1 ASIA (EXCLUDING GREATER CHINA)

5.1m passengers

↑ **6.6%** from 2016

2 NEW ZEALAND, PACIFIC AND OTHER

3.4m passengers

↑ **2.8%** from 2016

3 THE AMERICAS

2.5m passengers

↑ **2.0%** from 2016

4 GREATER CHINA

2.9m passengers

↑ **16.7%** from 2016

5 EUROPE AND MIDDLE EAST

2.0m passengers

↑ **10.9%** from 2016

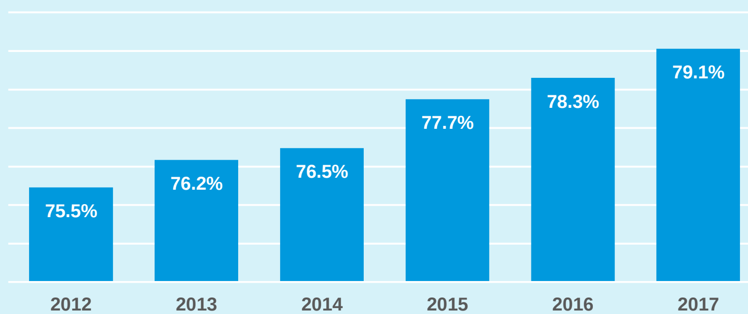
Significant capacity additions sustaining international traffic growth

Sydney Airport

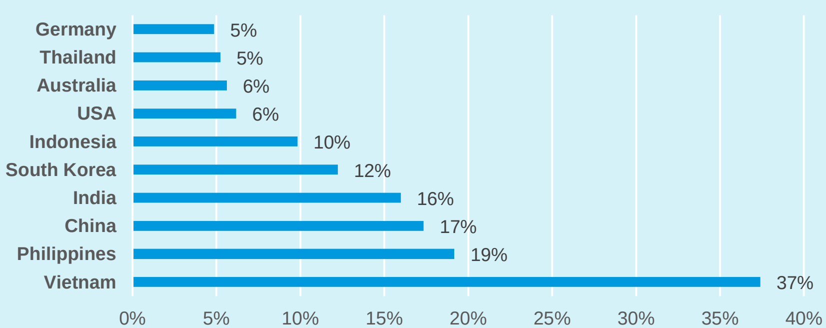
Substantial additional capacity and high load factors delivering sustained growth

2017 international passenger growth and capacity additions

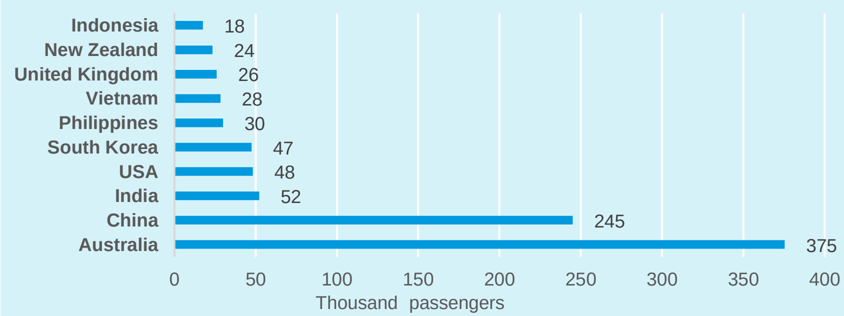
Load factors across domestic and international have increased over the past 5 years



Fastest growing nationalities in 2017*



Largest nationality growth in 2017 by absolute passenger numbers ('000)*



* Includes the period 1 January 2017 to 22 December 2017 as PCP data not available

60% of our growth in 2017 was off-peak*

Sydney Airport

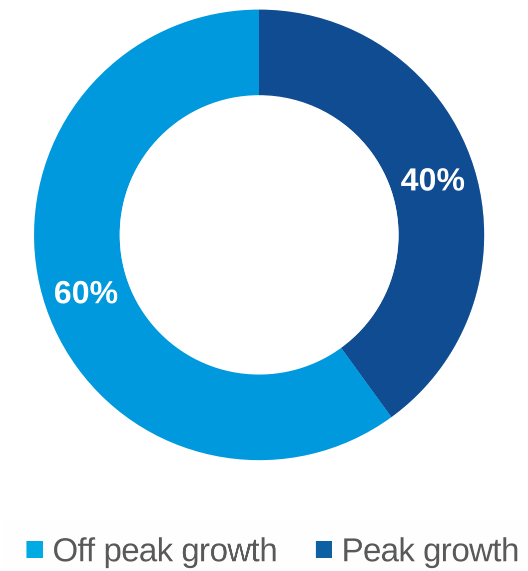
Increasingly our shoulder periods are filling out and airlines are filling the off-peak slots

Off-peak growth

- Beijing, Qantas
- Hanoi, Vietnam Airlines
- Dubai, Emirates
- Taipei, China Airlines
- Auckland, Qantas
- Apia, Samoa Airways
- Doha, Qatar Airways (Departure)
- Ho Chi Minh, Jetstar (Departure)
- Abu Dhabi, Etihad (Departure)
- Denpasar Bali, Qantas (Arrival)

*International peak is defined as 6am to 12pm

Seats commenced in 2017



Peak growth

- Wuhan, China Eastern
- Hong Kong, Cathay Pacific
- Qingdao, Beijing Capital
- Seoul, Asiana
- Doha, Qatar Airways (Arrival)
- Ho Chi Minh, Jetstar (Arrival)
- Abu Dhabi, Etihad (Arrival)
- Denpasar Bali, Qantas (Departure)
- Jakarta, Garuda
- Manila, Cebu Pacific
- Seoul, Korean Air
- Osaka, Qantas

Next generation aircraft at Sydney Airport

In 2017, SYD was the 11th busiest airport in the world for next generation aircraft movements, and 9th in terms of seats

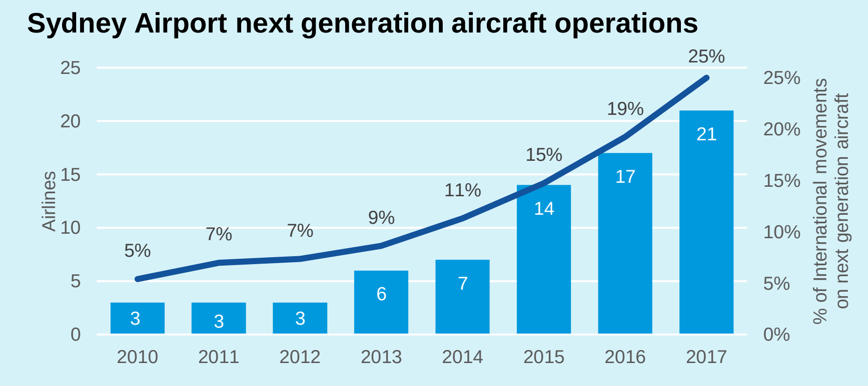
International next generation operations at Sydney Airport

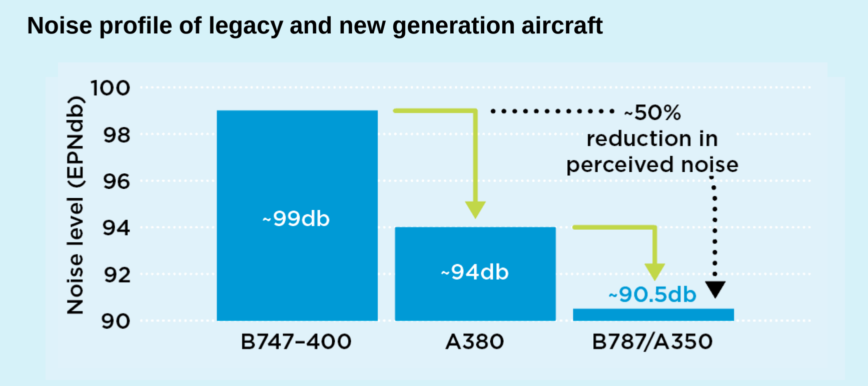
Currently, 21 airlines are operating next generation aircraft

- 25% of all scheduled international movements
- 452 next generation movements per week
- average seat configuration of 383 seats – 33% higher than the overall international average

Since 2010, legacy four engine aircraft (B747/A340) numbers have reduced 68%, from an average 38 movements per day to under 15 movements per day

In 2017, SYD was the 11th busiest airport in the world for next generation aircraft movements, and 9th in terms of seats*





Source:OAG

* Includes Airbus A380, Boeing 787 and Airbus A350 (including variants)

Distribution

2018 distribution guidance provided of 37.5 cents, an 8.7% increase on 2017

Distributions

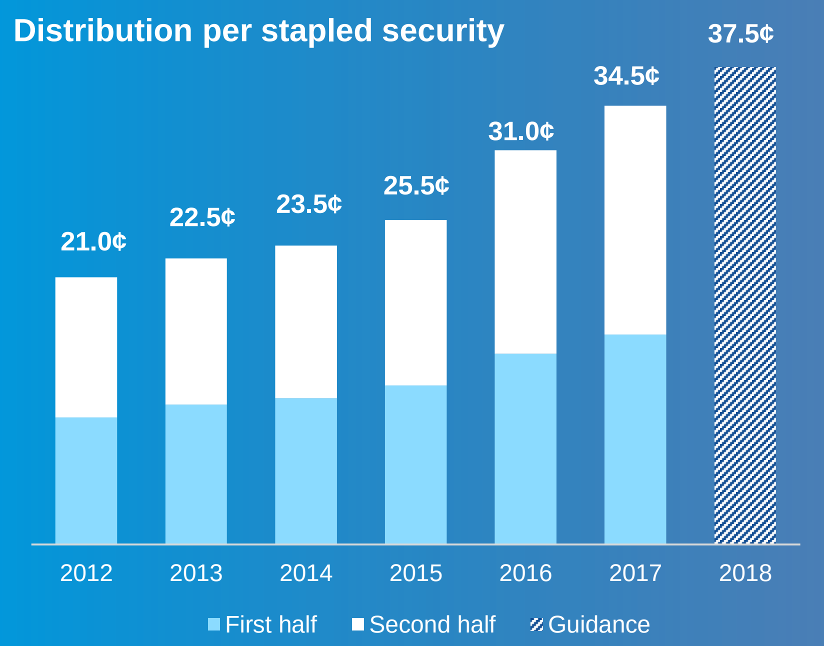
2017 distribution of 34.5 cents per stapled security

- Final distribution of 18.0 cents paid 14 February 2018
- 100% covered by Net Operating Receipts

2018 guidance of 37.5 cents per stapled security

- 8.7% growth on the 2017 distribution
- Expected to be fully covered by Net Operating Receipts
- Guidance subject to aviation industry shocks and material forecast changes

Consistent distribution growth



Financial results

Sydney Airport

Operational growth

Sydney Airport

All business units delivering strong performance. Total revenue up 8.7% year on year

BUSINESS	2017 HIGHLIGHTS	REVENUE $M	REVENUE CONTRIBUTION	REVENUE GROWTH
Aeronautical services	• 3.6% total passenger growth and 7.2% international • Opening new and underserved markets • Strong international capacity and load factor growth continuing • Significant capital investment program supporting passenger experience, airline operating efficiencies and capacity expansion to meet demand	761.9[1]	51%	8.6%
Retail	• Duty free delivering strong growth with standout performance in core categories liquor, perfume and cosmetics • All three terminals fully leased with continued strong retailer demand for space • Delivering a superior passenger experience with continued focus on value, range and choice, proven via strong retail sales, passenger satisfaction scores and positive sentiment • Completion of The T1 Marketplace precinct and Pier C food offering	333.1	23%	12.7%
Property, hotels and car rental	• Approximately 220 leasing transactions completed in 2017; Property portfolio has over 650 leases and continues to grow providing increasing facilities for our passengers and airline customers • Mantra Hotel opened, Ibis Budget acquired in July 2017 with both performing strongly • Property portfolio occupancy 99%	221.4	15%	8.4%
Parking and ground transport	• Five year ground transport works very close to completion, nine months ahead of schedule, delivering reduced congestion and improved circulation • New car parking products performing well; Priority pick-up and ride sharing areas delivering improved circulation and revenue growth • 1000 new international car park spaces delivered in Q4 2017	159.5	11%	2.2%

1. Includes aeronautical security recovery

Statutory income statement

Sydney Airport

Strong EBITDA growth and finance cost management driving statutory income

$ MILLIONS	2017	2016
Total revenue and other income	1,483.4	1,364.6
Total operating expenses	(284.5)	(257.8)
WSA project costs expensed and business acquisition costs	(2.5)	(21.1)
EBITDA	1,196.4	1,085.7
Depreciation and amortisation	(385.7)	(356.5)
Profit before net finance costs and income tax (EBIT)	810.7	729.2
Net finance costs	(421.6)	(409.0)
Profit before income tax expense	389.1	320.2
Income tax expense	(40.5)	(0.6)
Profit after income tax expense	348.6	319.6
Add back: Profit attributable to non-controlling interests	1.2	1.3
Net profit attributable to security holders	**349.8**	**320.9**

Profit to net operating receipts reconciliation

Sydney Airport

Distribution is fully covered by Net Operating Receipts

$ MILLIONS		2017	2016
Profit before income tax expense		389.1	320.2
Add back: depreciation and amortisation		385.7	356.5
Profit before tax, depreciation and amortisation		774.8	676.7
Add/(subtract) non-cash expenses	- Capital indexed bonds capitalised	24.0	10.5
	- Amortisation of debt establishment costs	16.0	27.4
	- WSA costs expensed and business acquisition costs	2.5	21.0
	- Borrowing costs capitalised	(9.3)	(9.6)
	- Change in fair value of swaps	0.2	(22.0)
Total non-cash expenses		**33.4**	**27.3**
Add/(subtract) other cash movements	- Movement in cash balance with restricted use	13.6	12.3
	- Other	(32.0)	(20.3)
Total other cash movements		(18.4)	(8.0)
Net operating receipts		787.3	675.0
Net operating receipts (excluding WSA and business acquisition costs)		**789.8**	**696.0**
Average stapled securities on issue (m)		2,250.5	2,237.4
Net operating receipts per stapled security (cents)		35.0	30.2
Net operating receipts per stapled security (excluding WSA) (cents)		**35.1**	**31.1**
Distributions declared per stapled security (cents)		**34.5**	**31.0**

Capital management update

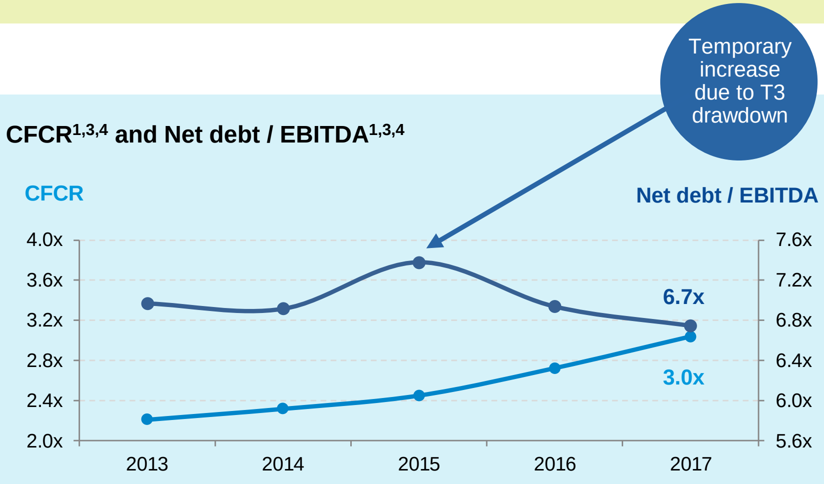
Sydney Airport

Strong interest coverage and credit metrics improving

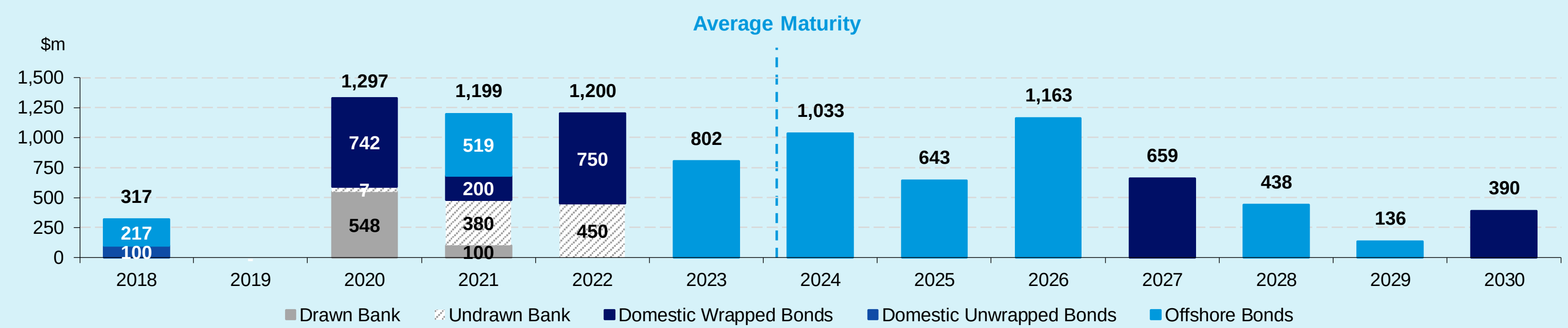
31 December 2017 Metrics[1]

Net debt[2]	$8.0b
CFCR[3]	3.0x
Net debt / EBITDA[3]	6.7x
Credit rating	BBB (positive) / Baa1 (stable)
Next drawn maturity	Mid-2018
Average maturity	Early-2024
Average cash interest rate[5]	4.9%
Spot interest rate hedge position	93% (incl. bank debt)

CFCR[1,3,4] and Net debt / EBITDA[1,3,4]



Debt Maturity Profile



1. Debt metrics and ratios calculated for SCACH in line with finance documents
2. Includes SAL bilateral debt facility and Sydney Airport Group cash
3. Excludes EBITDA in relation to the Ibis Budget hotel for 3Q 2017 given transitional treatment as an Excluded Subsidiary under finance documents (2017)
4. Excludes WSA project costs expensed (2016)
5. Excludes capitalised interest, fair value of swaps and amortisation of debt establishment and other costs

Interest rate and currency risk management

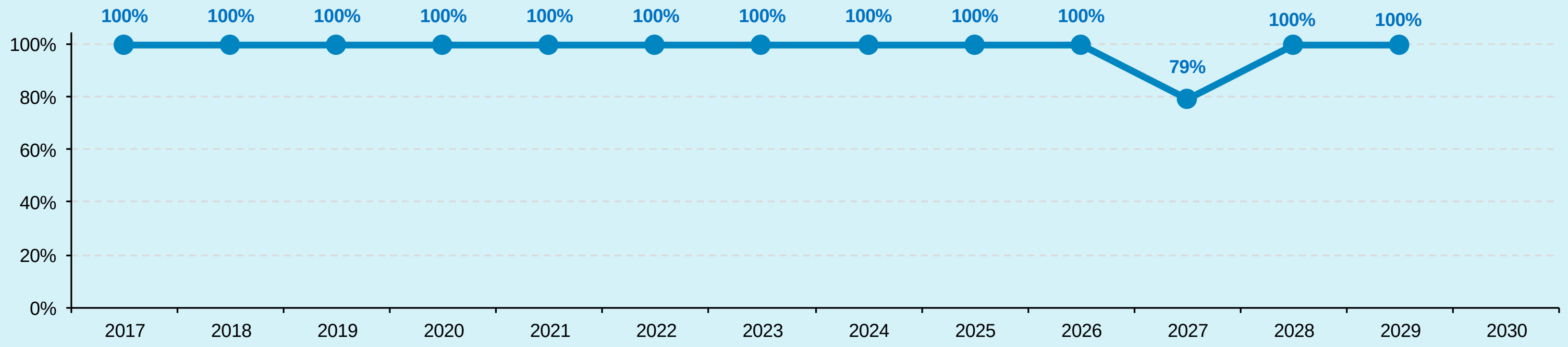
Sydney Airport

Proactive approach in managing interest rate and currency risk

Interest rate and currency risk management

- Proactive approach in managing interest rate and currency risk
- Interest rate hedging profile right-sized with $3.3b of swap executions over 2017
- 93% of interest rate risk on all debt hedged as at 31 December 2017
- 98% of interest rate risk on all capital markets debt hedged on average to 31 December 2030
- 100% of currency risk on all debt hedged

Capital market interest rate hedging[1]

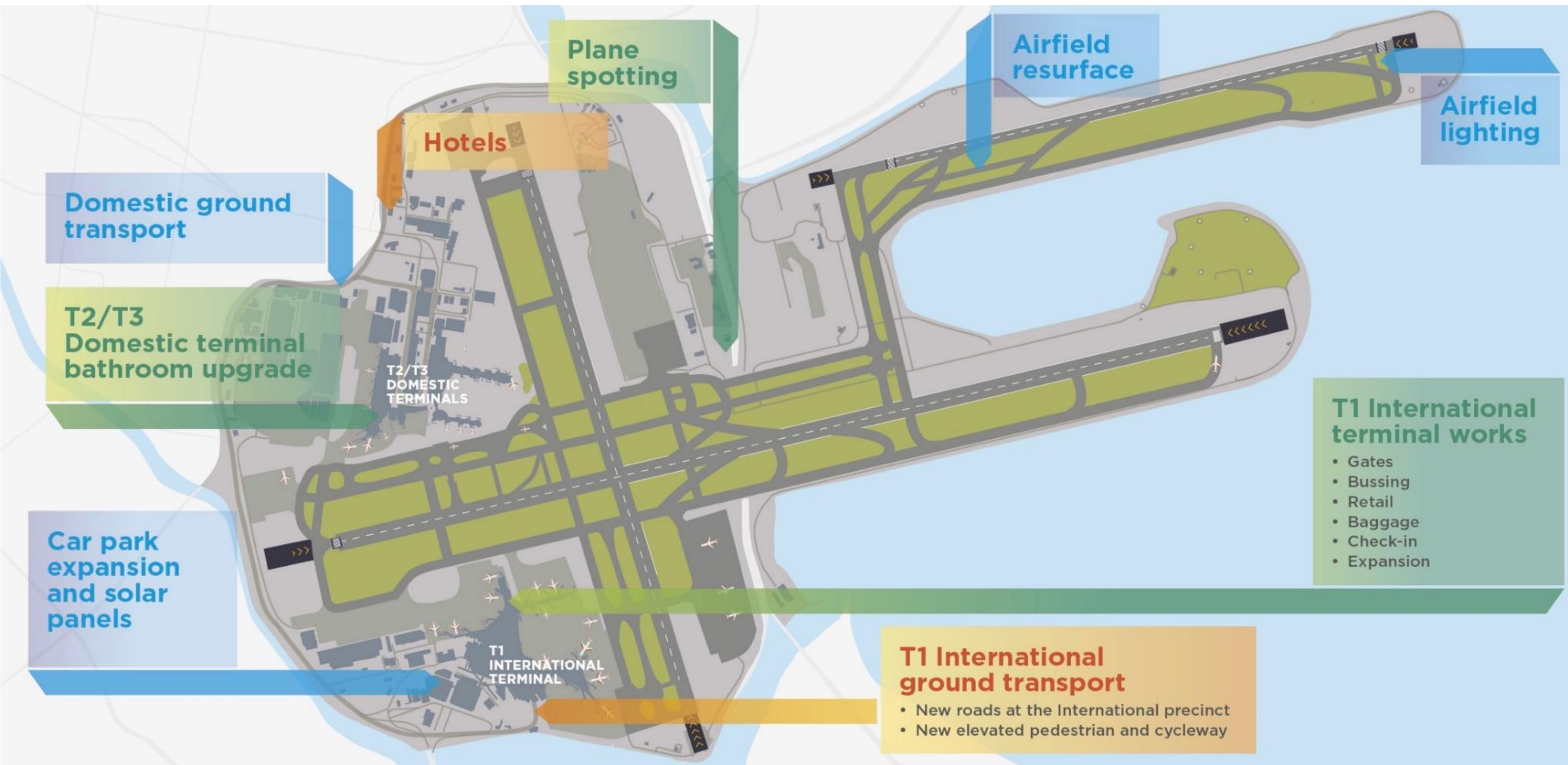


1. Existing capital markets debt hedged at the end of each calendar year

Investing for growth, $428.5m invested in 2017

Sydney Airport

Invested more than $1 million per day on aviation infrastructure and customer facilities



Capex outlook

Sydney Airport

Investing for future growth and expected strong international passenger numbers.
Capex guidance for 2018-2021 $1.3-1.5b

Capex

- Capex guidance expected to be $1.3-1.5 billion over four years 2018-2021
- Capex guidance for 2018 expected to be between $380-420 million
- Capex guidance includes the additional $500 million, contemplated for additional international aeronautical growth projects
- Continued strong international passenger growth requires additional aeronautical facilities to accommodate new and existing services

Capex projects included in 2018

AIRFIELD

- Resurfacing runways
- Apron expansion
- New airfield lighting
- Gate expansion commencement

TERMINAL WORKS

- T2 Pier B retail stores
- T1 Pier C expansion
- Gate lounge improvements
- Baggage carousel replacement/refurbishment program
- Check-in counter and auto bag-drop development

LANDSIDE OPERATIONS AND TRANSPORT

- New flyover entry into International precinct
- New exit road from International
- Widening of road from M5 to International
- New digital wayfinding gantries to improve traffic flow

PROPERTY

- IBIS Budget expansion
- Expression of interest for new potential 430 room Domestic hotel
- New solar panels

Strategic initiatives driving our growth

Our partnership approach drives international passenger growth

Sydney Airport

Using an analytical approach to identify and target underserved markets, while collaborating with our tourism partners has been successful in delivering new passenger growth to the Airport, Sydney and NSW

Factors considered when analysing potential new markets

1. Current passenger movements
2. Economic conditions in country of origin
3. Existing networks and timing
4. Fleet deliveries
5. Will the Australian market support the destination with tourism, business, visiting friends and relatives and education

Identify target markets, carriers, and then prioritise targets by the opportunity

Target markets

Asia

- India
- Vietnam
- South Korea
- China

The Americas

- Secondary US cities
- Canada
- Brazil
- Argentina
- Chile

Destination NSW

TOURISM AUSTRALIA

Australian Government

NSW GOVERNMENT

BUSINESS EVENTS SYDNEY

BCIA

Investing in efficient infrastructure, driving cost reduction and improved passenger experience

Sydney Airport

Our biometrics process has the potential to revolutionise the passenger journey through our airport

Customers responding positively to initiatives and investment

Sydney Airport

On a regular basis, our customers are asked what they thought of their airport experience and how we can improve

Customers tell us that some of the key drivers of satisfaction are ambience, cleanliness and wayfinding

Surveys

RATINGS OUT OF 5	INTERNATIONAL	DOMESTIC
OVERALL SATISFACTION	4.01 3% from 2016	3.95 1% from 2016
AIRPORT AMBIENCE	4.17 5% from 2016	4.11 1% from 2016
AIRPORT CLEANLINESS	4.24 3% from 2016	4.14 1% from 2016
AIRPORT WAYFINDING	4.17 4% from 2016	4.09 2% from 2016

Expanded terminal areas and facilities

- Self check-in and auto bag-drop
- Gate lounge refurbishment
- Increased retail with focus on value and choice
- Improved dwell spaces and terminal ambience
- Improved seating and facilities
- Increased natural light

Digital solutions

- More personalised flight information to your device
- Baggage carousel wait times
- Smart airport - connectivity and real-time reactivity, informing landside and airside operations

Improving access to the airport is one of our core priorities

Sydney Airport

Access to and from the airport is of paramount importance to the experience of our passengers and stakeholders

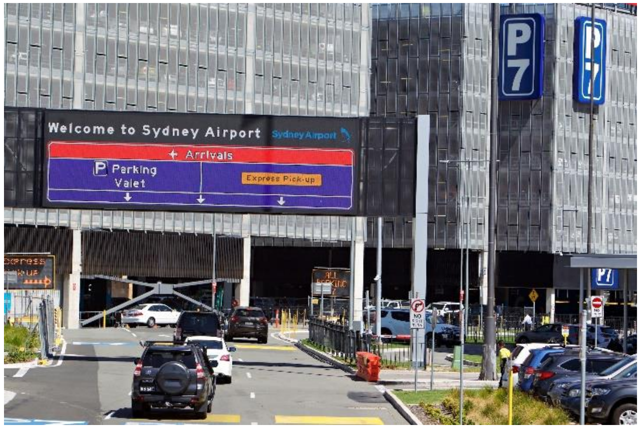
Enhancing airport access for our customers

- All projects in five year Ground Transport plan will be delivered in April, 9 months ahead of schedule
- Five lanes in/out of Domestic
- New exit and entry roads to/from International
- Elevated pedestrian and cycle path at International
- Five lane entry and exit to/from Domestic
- New state-of-the-art gantry signage at Domestic and International
- New flyover entry to International will be delivered by Q2 2018

NSW government works will have a staged completion over 2018-2019

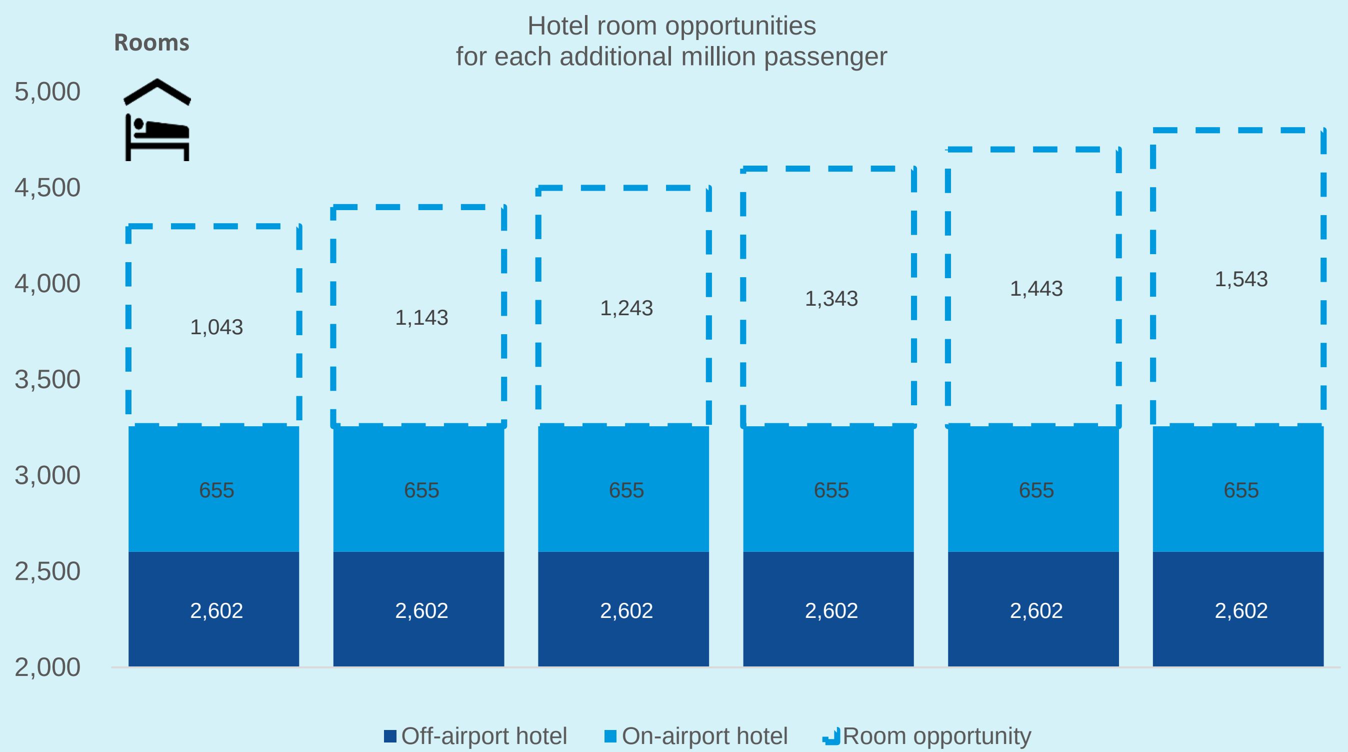
Continue to advocate for more public transport choice and value

Next five year Ground Transport plan will be delivered in August 2018



Hotels represent a potential growth opportunity, we see significant demand for on airport rooms

Opportunity for an extra 1,000 rooms today and growing to a potential 1,500 rooms at the point we reach 48 million passengers



Based on forecast modelling of 100 rooms per 1 million passengers, assumes number of rooms in the surrounding area remains constant

Sustainability leadership

Sydney Airport

Sydney Airport rated a global sustainability leader. Sustainability is driving positive outcomes for the business and our stakeholders

CARBON INTENSITY REDUCTION

We achieved Level Three Carbon Accreditation for the second year, delivering

27.2% PER PAX

reduction in carbon intensity since 2010

INTERNATIONAL CAPACITY

25%

of all scheduled international movements are on new quieter, low emission, next generation aircraft

FTSE4GOOD AND DOW JONES INDICES

#10 on the DJSI index within the transport infrastructure sector

Our sustainability reporting was rated 'Leading'

SUSTAINABLE DEVELOPMENT GOALS

Identified **9 sustainable development goals** within our sustainability report

EMPLOYEE SAFETY

#1 global ranking achieved for employee safety program by DJSI

8,255 aviation safety hours

GENDER EQUALITY

Global leader in Equileap's **Top 200 list**

FEMALE EMPLOYEES

37.9%

Deepened commitment to Sydney and our community

Sydney Airport

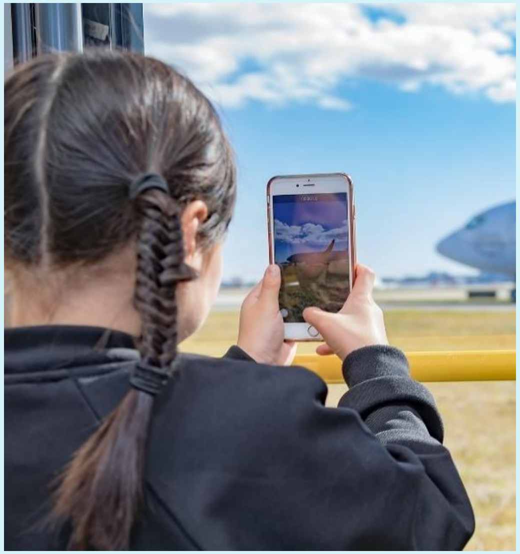
A strengthened commitment to and investment in the community, the environment, sport and the arts

Live Local

Keeping local communities connected, healthy, vibrant and thriving

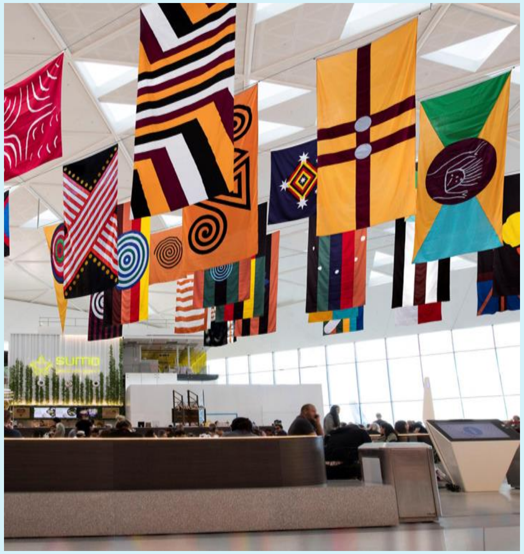
Leading and Learning

Be the best you can be in your field. Supporting the leaders of tomorrow



Sydney's Airport

An airport that embraces and showcases Sydney's best. Instilling pride in Sydney's airport



Outlook

Sydney Airport

Outlook

Excellent traffic growth, strong business performance and positive macro tailwinds underpin a positive outlook

Key 2018 focus areas

- Continue to maximise our core business
- Grow new business opportunities
- Enhance the culture including strengthening our focus on the customer

Guidance

- 2018 distribution guidance of 37.5c per stapled security
- Four year investment guidance of $1.3-1.5b supported by aeronautical charges and strong international passenger growth
- 2018 capex guidance $380-$420m

Questions

Sydney Airport

Appendix

Sydney Airport

Investment merits

Sydney Airport

Sydney Airport is one of the world's highest quality airport investments

99 year leasehold	• Lease until 2097
Catchment area	• 7.5m Sydney and NSW catchment population
Strong passenger growth profile	• Sydney is both a business and tourism hub, in a growing NSW economy • Strong visiting friends and relatives, education and tourism market • Strong Asian connections – increasing urbanisation
International passengers	• Account for ~70% of passenger driven revenues • Represent 15% of slots
Commercial opportunities	• Substantial growth opportunities • Minimum guarantees offer downside protections • Strict hurdle rates of return apply to all investment
Light handed regulatory framework	• Commercially negotiated charges agreements with all airlines include investment, price and service levels • Light handed regulatory framework supports dual till principle
Outsourced model	• Controllable operating costs contracted and traffic relatively inelastic
Consistent growth and downside protections	• Long term contracts with airlines and tenants • CPI or higher escalation on commercial revenues • Growth initiatives across all businesses

Sydney Airport’s contribution

Sydney Airport is a major generator of economic activity and jobs

Economic activity	$38.0 billion contributed in economic activity per annum, equivalent to 6.8% of the NSW economy
Jobs generated	338,500 jobs generated or facilitated, equivalent to 10% of NSW employment
Freight	$17.6 billion of freight exports facilitated
Visitor nights	International visitors arriving in Sydney spent 108 million nights in Australia in 2017
Trip expenditure for average international visitor	$2,778 per visitor
Household income	$19.9 billion contributed to household incomes
Average airport wages	Average FTE wage of an employee working in the Sydney Airport precinct is 12% higher than NSW average
Typical daily international flight service	$122 million contributed to the Australian economy from a typical daily international service to Sydney

Source: Deloitte Access Economic (2017)

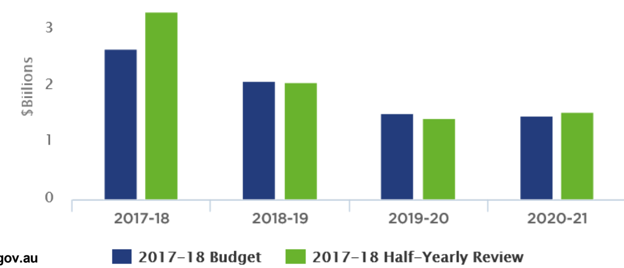
Traffic growth drivers

Sydney Airport

Positive outlook for all key traffic growth drivers

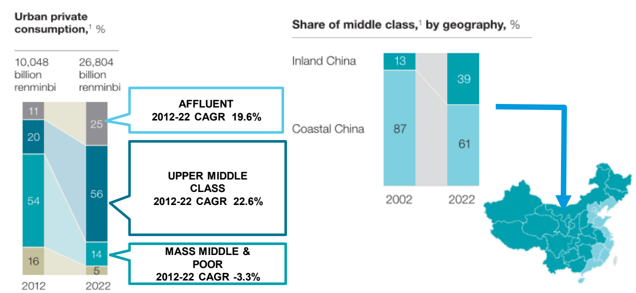
1 Strong NSW economic growth continuing

- **$80b infrastructure program over 4 years driving economic growth**
- **Strong forecast budget surplus projections**



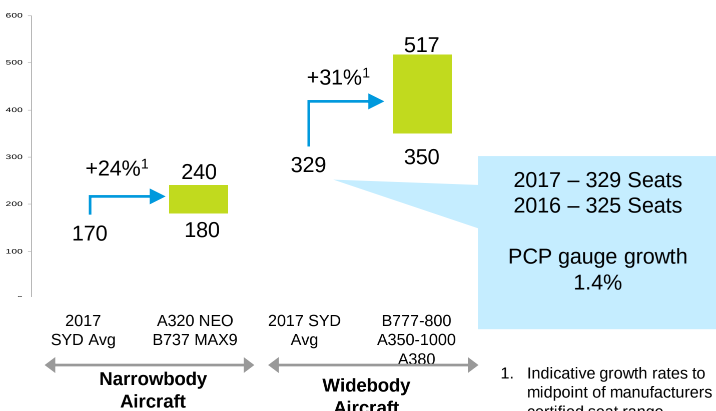
Source: http://www.treasury.nsw.gov.au

2 Rising middle-class across Asia



Source: http://www.mckinsey.com/industries/retail/our-insights/mapping-chinas-middle-class

3 Aircraft size, range and seat density continues to increase



1. Indicative growth rates to midpoint of manufacturers certified seat range.

4 International trade and bilateral agreements delivering growth in key markets

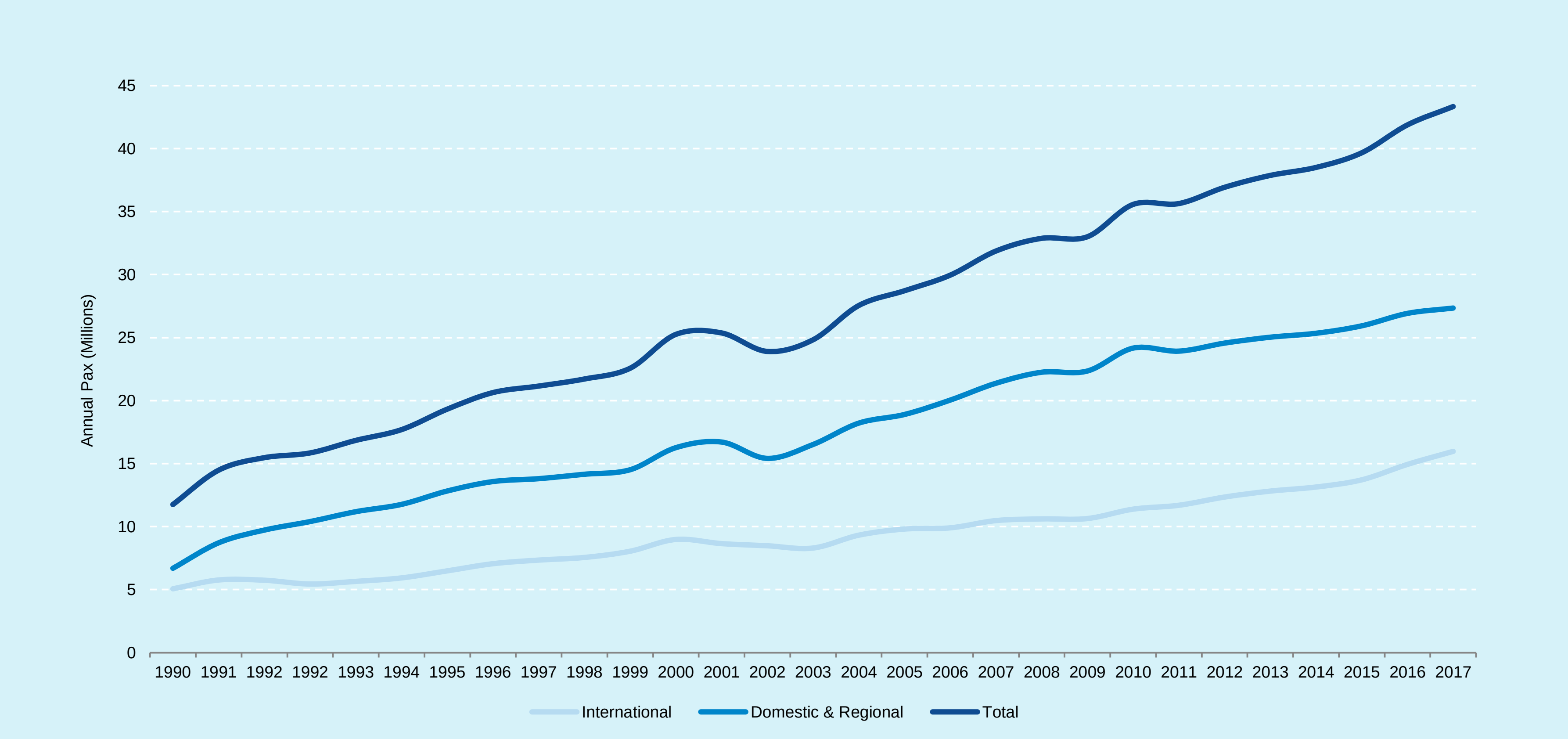
Countries with open aviation agreements with Australia*

China	Switzerland
Japan	United Kingdom
New Zealand	Singapore
United States	

* As at 31 December 2017

Long term traffic growth

Resilient passenger growth across all economic cycles and events

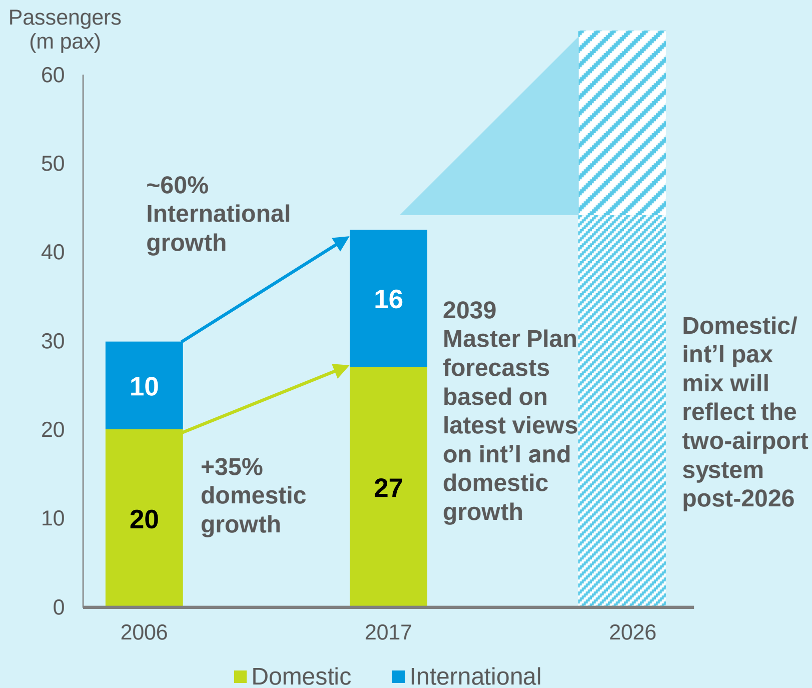


Passenger mix and capacity are the important growth drivers

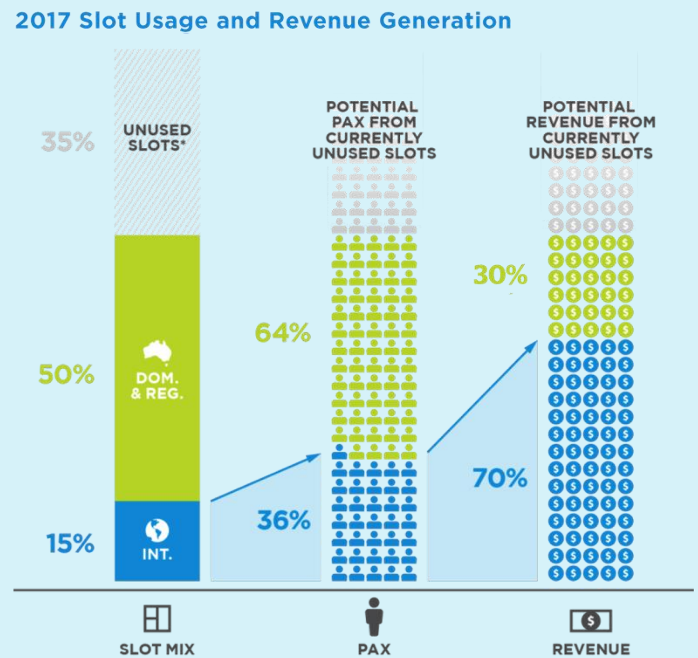
Sydney Airport

International passenger growth is forecast to continue to outpace domestic growth

International now 37% of total passengers; expected to continue to outpace domestic growth; delivering high value to Sydney Airport and the economy



High value international aircraft utilise just 15% of slots but international passengers drive 70% of our passenger related revenues (aero and retail)



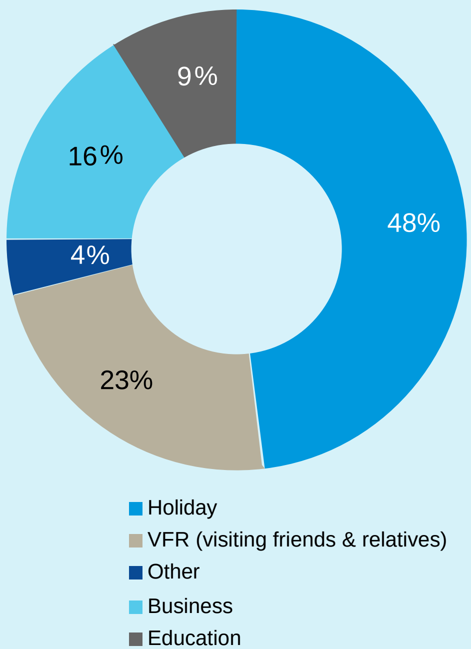
* Includes General Aviation movements without slot tenure (2-3% of slots).

Highly diversified passenger and destination mix

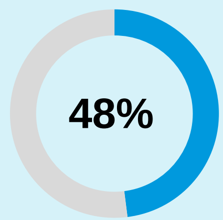
Sydney Airport

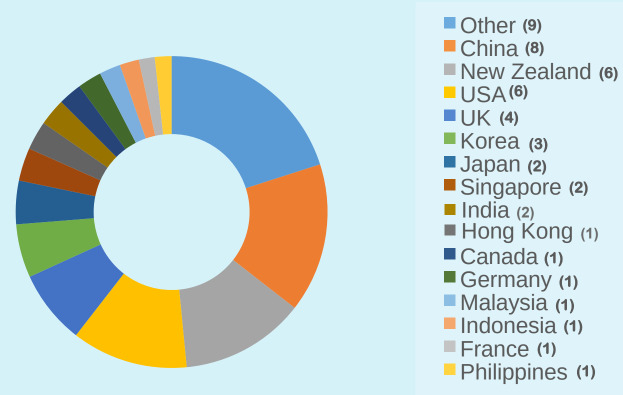
Significant diversity in airlines, passengers and destinations served by Sydney Airport

Diverse purpose of travel of Sydney Airport's international visitors (%)

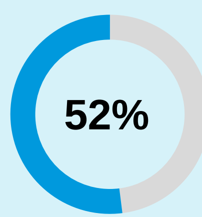


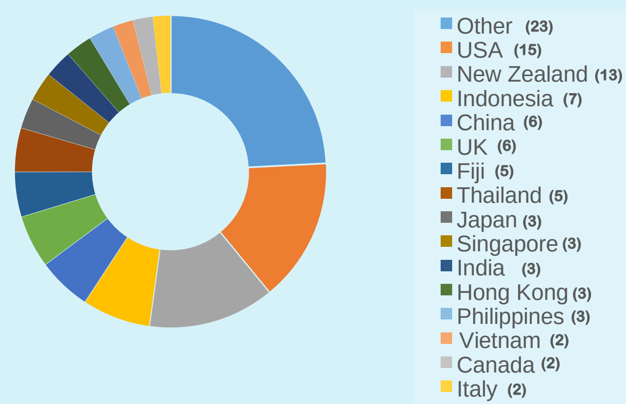
Foreign residency breakdown (%)





Australian destination breakdown (%)





1. Source: DIAC, data recorded by residency and final destination – 12 Months to May 2017

Announced capacity highlights for second half of 2017

Sydney Airport

New international seat additions contribute to positive growth outlook for 2018

Airline	Route	Annual seats
Emirates	Dubai	356,000
Qatar	Doha	260,000
China Airlines	Taipei	223,000
United Airlines	Houston	184,000
Qantas	Auckland	175,000
Etihad	Abu Dhabi	123,000
Qantas	Osaka	92,000
Cathay Pacific	Hong Kong	65,000
Beijing Capital	Qingdao	58,000
Asiana	Seoul	44,000
Samoa Airways	Apia	35,000
Hainan	Haikou	21,000
Tianjin	Zhengzhou	17,000
Cebu	Manila	17,000

Thank you

Sydney Airport