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ASX RELEASE

MACQUARIE

MACQUARIE AIRPORTS
FULL YEAR & FOURTH QUARTER 2008
RESULTS FOR SYDNEY AIRPORT

Macquarie Airports (MAp) today welcomes Sydney Airport's announcement of its results for the year ended 31 December 2008 (see below)[1], reporting an EBITDA (earnings before interest, tax, depreciation and amortisation) of A$653.3m (excluding specific expenses), which represents an increase of 7.4% over the previous corresponding period (pcp). Note that the pcp contained approximately A$3.4m in non-recurring aeronautical revenue relating to the completion of long term charging agreements.

SCACH (A$m)	Q4 2008	Q4 2007	% Change	Yr to 31 Dec 2008	Yr to 31 Dec 2007	% Change
Revenue	212.9	208.7	+2.0%	812.7	760.5	+6.9%
Cost of Sales	(0.4)	-	-	(1.2)	-	-
Other Income	-	-	-	0.1	-	-
Operating costs	(39.7)	(39.2)	+1.4%	(158.3)	(151.9)	+4.2%
EBITDA (before specific expenses)	**172.8**	**169.5**	**+1.9%**	**653.3**	**608.6**	**+7.4%**
Specific expenses	(2.9)	(0.6)	-	(3.9)	(1.1)	-
EBITDA	**169.9**	**168.9**	**+0.6%**	**649.4**	**607.5**	**+6.9%**

[1] Results based on unaudited management accounts.

Macquarie Airports (MAp) CEO, Ms Kerrie Mather, said: “Sydney Airport’s financial performance in 2008, particularly in the final quarter, demonstrates its resilient operating model. EBITDA growth of 7.4% for the year is the result of continuing to drive revenue growth ahead of traffic growth, whilst also delivering efficiency improvements.

“Whilst revenue growth slowed in the final quarter, principally due to slower underlying aeronautical revenue growth in line with traffic performance, for the full year revenue grew by 6.9%, well ahead of traffic growth of 3.2%. Aeronautical revenue, excluding security revenue, grew by 3.5%, in line with traffic growth, reflecting the impact of the new charging agreements adopted in the pcp and A$3.4m in one-off revenues recognised in 2007” Ms Mather said.

“Sydney Airport is not immune to the challenges presented by the current external environment, as reflected in the slower traffic growth experienced in the final quarter of the year. However, the attractiveness of Sydney Airport to both passengers and airlines was demonstrated by the relatively limited capacity reductions suffered and a series of significant new route and service announcements.

“In Occtober 2007, Sydney Airport became the first airport in the world to receive a commercial A380 service in October 2007, with the Singapore Airlines service from Singapore. In October 2008 Sydney achieved another world first, as it became the first airport in the world to receive scheduled A380 services from multiple airlines, with the commencement of Qantas’ Los Angeles service. Qantas has recently expanded its A380 services out of Sydney to include London via Singapore and plans to increase frequencies on both services later in 2009. 2008 also saw a significant expansion in Virgin Blue’s offering to the Pacific islands whilst both V Australia and Delta will commence trans-Pacific services in 2009.

“Commercial revenues held up very well through the year, supported by the fact that the duty free contract continues to operate on minimum guaranteed rents and the opening of the multi-storey car park in the international precinct in July. Recent months have seen increased spend rates from overseas travellers in response to the weaker Australian dollar,” Ms Mather said.

“Significant progress has been made on the leasing strategy for the retail space in the redeveloped International Terminal, which will come on stream in early 2010.

Commitments have been received from a number of well respected local and international brands such as Dank Street Depot, Bambini Wine Bar, Billabong, Emporio Armani, Burberry and Lonely Planet.

"Clearly, in the current environment, it is paramount that businesses operate as efficiently as possible. Excluding recoverable security expenses and specific non-recurring expenses, operating expenses rose just 0.6% during 2008 and, on a per passenger basis, declined by 2.5%. Consequently, Sydney Airport's EBITDA margin improved by 0.5%-points to 80.5%. A$2.9m in specific expenses relating to headcount reductions following a corporate restructure were incurred in the final quarter of 2008."

"Capital expenditure stepped up in 2008, in line with plans to ensure Sydney Airport retains its position as a world class facility. Major projects during the year included the ongoing International Terminal Redevelopment and A380 related works, commencement of RESA works at the western end of the east-west runway and the completion of the international multi-storey car park," Ms Mather also added.

Other key points to note from the full year results include:

- Aeronautical revenues (excluding security recovery) increased by 3.5% on pcp to A$317.5m, in line with traffic growth of 3.2%, reflecting the implementation of new charging agreements in July 2007 and the recognition of A$3.4m in non-recurring revenue in the pcp.
- Retail revenues increased by 10.1% on pcp to A$192.0m, continuing to benefit from the finalisation of commercial negotiations with the airport's Duty Free operator. Underlying retail revenue tracked passenger growth as the duty free contract continues to operate at minimum rates, ahead of the completion of the International Terminal redevelopment.
- Operating costs before specific expenses per passenger increased 1.0% to A$4.81. Excluding security expenses, operating costs before specific expenses per passenger decreased by 2.5% on pcp.
- Specific expenses of A$3.9m for 2008 related primarily to corporate restructuring, with A$2.9m resulting from headcount reduction.
- EBITDA, before specific expenses, per passenger increased 4.1% on the pcp to A$19.75.

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Media Release

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23 January 2008

Calendar Year to December 2008 financial results for Sydney Airport

Sydney Airport[1] today announced a 7.4 per cent increase in earnings (excluding specific non-recurring expenses) for the calendar year to 31 December 2008.

Sydney Airport today announced an unaudited consolidated profit before depreciation and amortisation, net financing costs, income tax, and specific non-recurring expenses (EBITDA excluding specific non-recurring expenses) of A$653.3 million for the calendar year to 31 December 2008 (CY2007: A$608.6 million). EBITDA (including specific non-recurring expenses) increased to A$649.4 million (CY2007: A$607.5 million).

EBITDA (excluding specific non-recurring expenses) for the calendar year to 31 December 2008 represents a 7.4 per cent increase in earnings over the previous corresponding period (pcp). EBITDA (including specific non-recurring expenses) increased by 6.9 per cent on the pcp. Note that in 2007, there was approximately A$3.4 million in non-recurring aeronautical revenue relating to completion of long term commercial agreements.

Total revenue growth for the calendar year of 6.9 per cent over pcp remained ahead of passenger traffic growth of 3.2 per cent. Total operating expenses excluding recoverable security expenses and specific non-recurring expenses grew just 0.6 per cent, well below both traffic and revenue growth.

Sydney Airport Chief Executive Officer, Russell Balding said that the airport had achieved a creditable result for the calendar year to 31 December 2008, with EBITDA growing 7.4 per cent excluding specific non-recurring expenses.

"It is particularly pleasing to see resilient financial performance during the challenging economic environment. Record passenger numbers were achieved in 2008 with 32.9 million passengers passing through the airport."

"The Preliminary Draft Master Plan 2009 consultation process was completed during the quarter. After comments on the Preliminary Draft Master Plan have been considered and due regard given, a Draft Master Plan will be submitted to the Minister for Infrastructure, Transport, Regional Development and Local Government for his consideration in March 2009."

"In October, Sydney Airport congratulated Qantas on its first commercial A380 flight from Sydney to Los Angeles. The introduction of the A380 into commercial service across the Pacific is a great achievement."

1. Southern Cross Airports Corporation Holdings Limited (SCACH) is the parent company of Sydney Airport Corporation Limited (SACL) following completion of SACL's privatisation on 28 June 2002.

"During the final quarter of 2008, Sydney Airport successfully secured funding for its capital expenditure plans through 2012 through a combination of new bank debt facilities and a shareholder contribution. The support of our major shareholders is a significant demonstration of their confidence in the business.

"The refinancing of A$870 million in term facilities, maturing towards the end of 2009, is anticipated to be completed in the first half of this year. Following this, Sydney Airport will have no further debt maturities until late 2011."

"Good progress continues to be made on the International Terminal redevelopment project, construction of a larger runway safety area at the western end of the east-west runway and water treatment plant for the international precinct," Mr Balding said.

Revenue

Total revenue from all business units rose 6.9 per cent over pcp to A$812.7 million (CY2007: A$760.5 million).

Aeronautical revenue in the quarter is lower than pcp due to a combination of softened passenger demand and one-off additional income in the pcp relating to completion of long term commercial agreements. However, Sydney Airport is set to see more airline capacity additions in the coming year. Qantas introduced an A380 onto three weekly services to London earlier this month and Emirates will be using an A380 on 3 weekly services from Dubai to Auckland via Sydney from February 2009. V Australia will launch its inaugural service to Los Angeles from February 2009. China Airlines will upgrade its Taipei services to daily from March 2009 and Delta has announced its daily service from Sydney to Atlanta (via Los Angeles) from July 2009.

The expansion and upgrade of the International Terminal and facilities continued apace. Retail leases for the new look terminal have been signed with innovative and respected speciality retailers such as Lonely Planet, Emporio Armani, Burberry, Billabong, and food and beverage operators including Dank Street Depot, Bambini Wine Bar, Caviar House & Prunier and China Grand. Sydney Airport will be home to the first ever Lonely Planet concept store which will be opening in mid-2009. This will continue Sydney's track record of bringing innovative retail experiences to millions of international travellers.

Commercial trading business continued to grow in advance of passenger traffic. During the quarter, the car rental ready bay facilities were expanded and relocated to the new multistorey international car park to allow for the continued growth of the car rental businesses. In addition, car rental ready bay facilities were also provided at T2 to meet passenger demand.

Property revenues are continuing to perform strongly as the business was supported by further development of the property portfolio and the successful negotiation of existing leases and ongoing rent review arrangements. Key property projects completed in the quarter included the opening of new McDonald's restaurant on Ross Smith Avenue as well as the expansion of site leases on lands to the northern airport precinct. Parts of T1's arrivals level were reconfigured to provide for the expansion of duty free operations and administration facilities for government agencies. The completed commercial space

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has been fully leased to tenants such as Nuance and the Australian Quarantine and Inspection Service.

Operating Expenses

Operating expenses continued to be tightly controlled. Total operating expenses excluding recoverable security expenses and specific non recurring expenses increased by 0.6 per cent over pcp to A$106.4 million (CY2007: A$105.7 million). Staff costs benefited by A$1.2 million due to reductions in leave provisions. Total operating expenses per passenger excluding recoverable security expenses and specific non-recurring expenses decreased by 2.5 per cent over pcp to A$3.24 per passenger (CY2007: A$3.32 per passenger).

During the final quarter, A$2.9 million specific redundancy costs were incurred as a result of headcount reductions following a corporate restructure and total operating expenses including specific non-recurring expenses increased by 6.0 per cent on pcp to A$162.2 million (CY2007: A$153.0 million), mainly attributable to these specific expenses and additional recoverable costs in relation to security measures

Capital Expenditure

Total capital expenditure increased 74.1 per cent on pcp to A$394.0 million (CY2007: A$226.3 million). Capital expenditure comprised maintenance expenditure of A$14.7 million and A$379.3 million in growth expenditure. Major items of spend for the calendar year included the T1 Redevelopment Project, T1 Multistorey Car Park, Runway End Safety Area Works, T1 Arrivals Works and A380 Related Pavement Works.

Attachment: Financial Highlights

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SYDNEY AIRPORT FINANCIAL HIGHLIGHTS

Thousands	Q4 2008 SCACH Group	Q4 2007 SCACH Group	% change	CY 2008 SCACH Group	CY 2007 SCACH Group	% change
Quarter / Year to date - from:	01-Oct-08	01-Oct-07		01-Jan-08	01-Jan-07	
Quarter / Year to date - to:	31-Dec-08	31-Dec-07		31-Dec-08	31-Dec-07	
Revenues						
Aeronautical	83,150	86,875	-4.3%	317,540	306,849	3.5%
Aeronautical security recovery	18,740	17,149	9.3%	72,586	68,490	6.0%
Retail	49,242	45,817	7.5%	191,977	174,328	10.1%
Property	31,353	28,184	11.2%	112,454	100,253	12.2%
Commercial trading	29,199	28,403	2.8%	113,596	105,587	7.6%
Other	1,254	2,246	-44.2%	4,576	4,946	-7.5%
Total revenues	**212,938**	**208,673**	**2.0%**	**812,729**	**760,452**	**6.9%**
Cost of sales	430	0		1,220	0	
Other income						
Profit on sale / (loss on disposal) of non current assets	26	28	-6.1%	84	48	74.8%
Operating expenses						
Labour	7,928	8,864	-10.6%	35,944	35,862	0.2%
Services and utilities	22,524	22,633	-0.5%	87,593	83,593	4.8%
Other operational costs	4,326	3,505	23.5%	15,912	15,645	1.7%
Property and maintenance	4,963	4,178	18.8%	18,802	16,793	12.0%
Specific expenses:	**2,886**	**643**	***348.8%***	**3,921**	**1,115**	***251.7%***
Total operating expenses before specific expenses	**39,742**	**39,180**	**1.4%**	**158,252**	**151,893**	**4.2%**
Total operating expenses	**42,628**	**39,823**	**7.0%**	**162,173**	**153,008**	**6.0%**
EBITDA before specific expenses	**172,793**	**169,522**	**1.9%**	**653,342**	**608,608**	**7.4%**
EBITDA	**169,907**	**168,879**	**0.6%**	**649,421**	**607,493**	**6.9%**
Capital expenditure	**138,696**	**84,564**	**64.0%**	**394,024**	**226,290**	**74.1%**
$ per passenger measures						
Revenue	25.28	24.58	2.8%	24.72	23.86	3.6%
Operating expenses before specific expenses	4.72	4.62	2.2%	4.81	4.77	1.0%
Operating expenses	5.06	4.69	7.9%	4.93	4.80	2.7%
EBITDA before specific expenses	20.51	19.97	2.7%	19.87	19.10	4.1%
EBITDA	20.17	19.89	1.4%	19.75	19.06	3.6%
Capex	16.47	9.96	65.3%	11.99	7.10	68.8%