

KERRIE MATHER
MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER



Sydney Airport



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4 MAY 2016



Disclaimer



General securities warning

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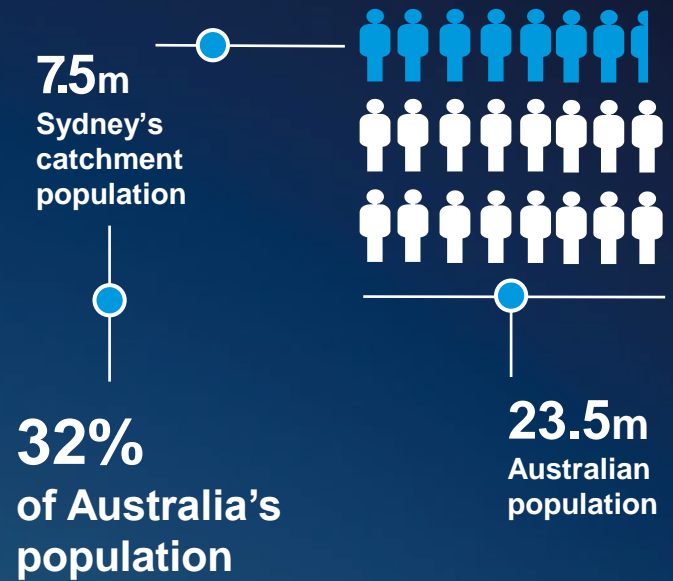
Sydney Airport advises that on 13 April 2016 foreign ownership was 30.1%.

Agenda

1. Introduction and strategy
2. Track record and performance
3. Balance sheet strength and flexibility
4. Aviation trends
5. Our diverse markets and capacity
6. Case studies: India and Indonesia
7. Delivering further growth
8. WSA update
9. Outlook



Sydney is the gateway to Australia



45 airlines¹
• 42 international
• 5 domestic
• 6 regional

94 destinations²

50 international

21 domestic

23 regional

8km
to Sydney
city centre

10km
to major tourist
attractions



1. Five airlines fly multiple segments
2. As of Northern Winter 2015-16



Underpins our vision to create a superior airport experience and deliver investor value

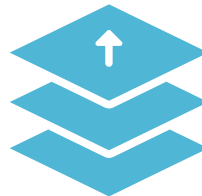


Partnering for growth



Aviation and tourism partnerships driving passenger growth

Investing in capacity, product and efficiency



Investment delivering growth and yield expansion across all businesses

Delivering a superior customer experience



Stakeholder engagement and focus to deliver an improved experience for customers

Managing risk



Strengthen balance sheet
Strict investment criteria
Long term contracts
Business diversity

Strong sustainable investor value and growth over time

Consistent business growth track record



Five year, 37% pa. total investor return

Passenger
growth



EBITDA
growth

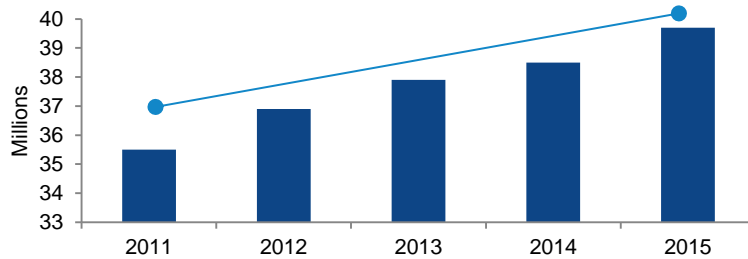


Cash flow
outcomes

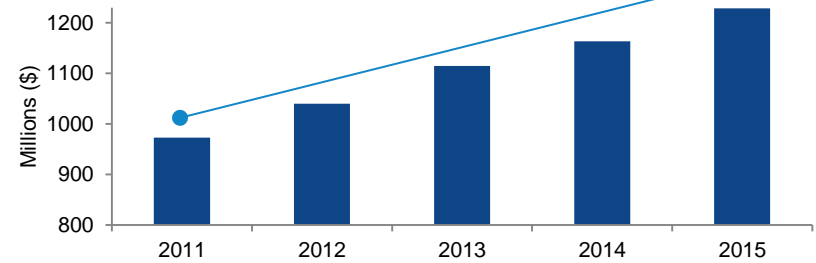


Investor
returns

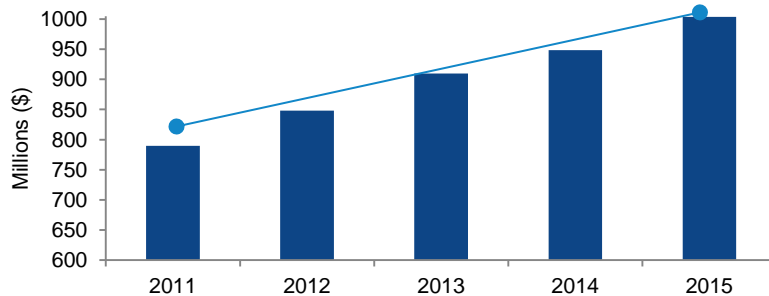
Total passengers



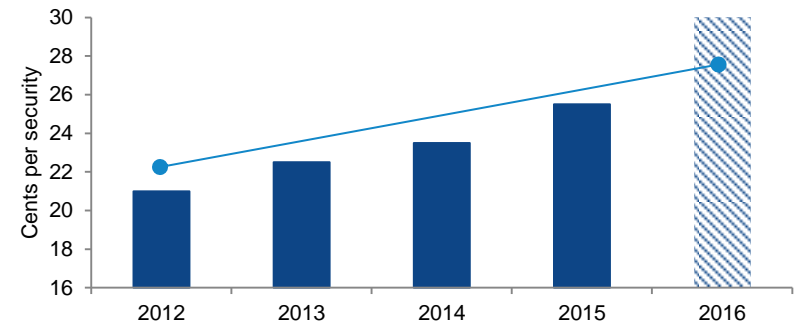
Total revenue



EBITDA



Distributions



Consistent distribution growth



2016 full year distribution of 30 cents; representing 17.6% growth



Distribution guidance

FY15 distribution of 25.5 cents

- Final distribution of 13 cents paid 12 February 2016
- 102% covered by Net Operating Receipts

FY16 distribution guidance of 30 cents per stapled security

- Expected to be 100% covered by Net Operating Receipts
- Guidance subject to aviation industry shocks and material forecast changes



Graph not to scale

Balance sheet strength, delivering flexibility and liquidity



Spreading and lengthening maturity profile while maintaining prudent hedging

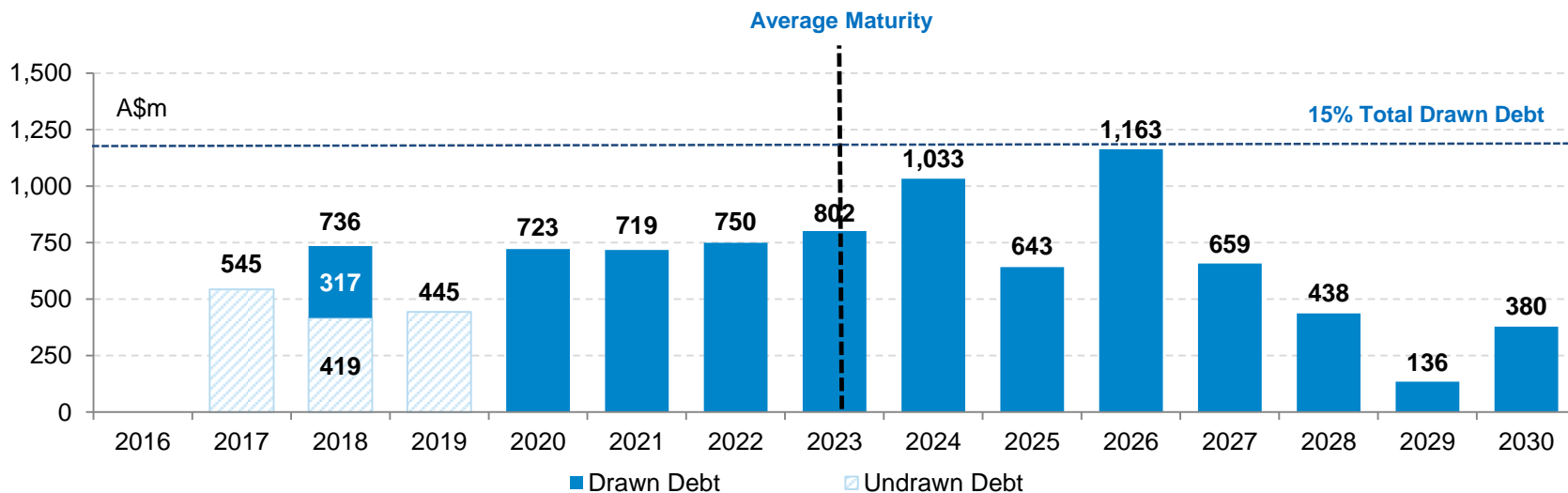


Bond deal highlights

- US144A ten year bond deal; AUD \$1.2bn
- All in rate including swaps 4.9%
- Average debt maturity extended 5 months to mid 2023
- Used to repay all drawn bank debt
- Currency and interest rate exposures 100% hedged over the entire term of the bond

Portfolio Highlights

- Portfolio over 90% hedged or fixed at completion
- Maturity profile spread and lengthened
- Highly diversified maturity profile; less than 15% of debt maturing in any one year
- Balance sheet strengthened and significant demand for Sydney Airport's strong stable cash flows illustrated



Traffic and capacity development



Aviation macro trends positive

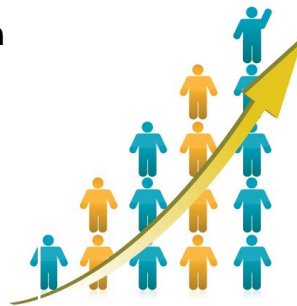


Structural changes in aviation have been positive for the consumer and the airport



1

Increasing population and GDP;
Asian growth



1

New aircraft technology



2

Changing travel trends
-internet
-new destinations



2

New Airline business model
Low cost carrier emergence



3

Decreasing real airfares



3

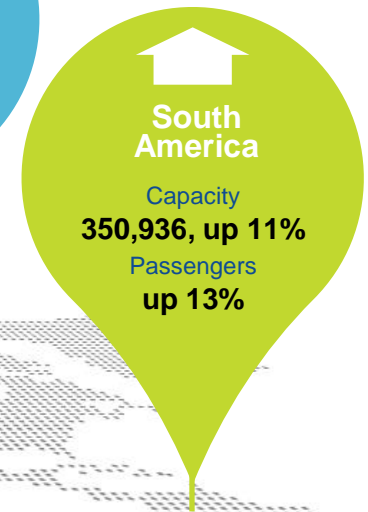
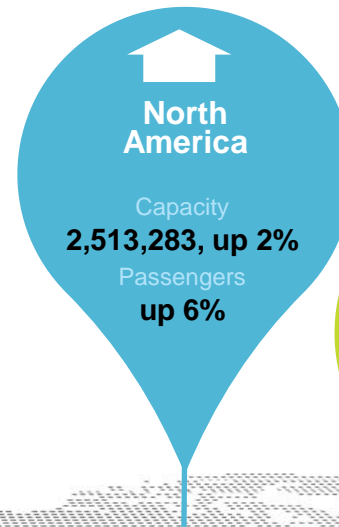
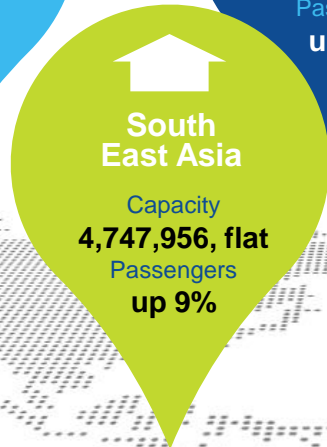
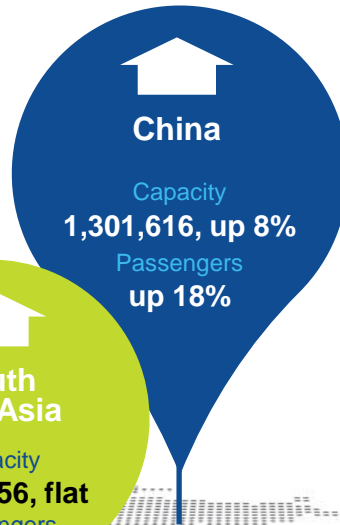
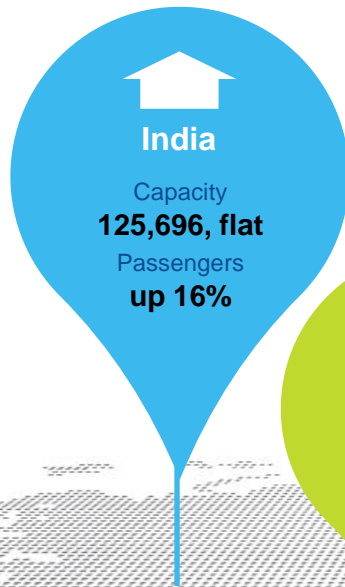
Air right liberalisation



New capacity from diverse markets



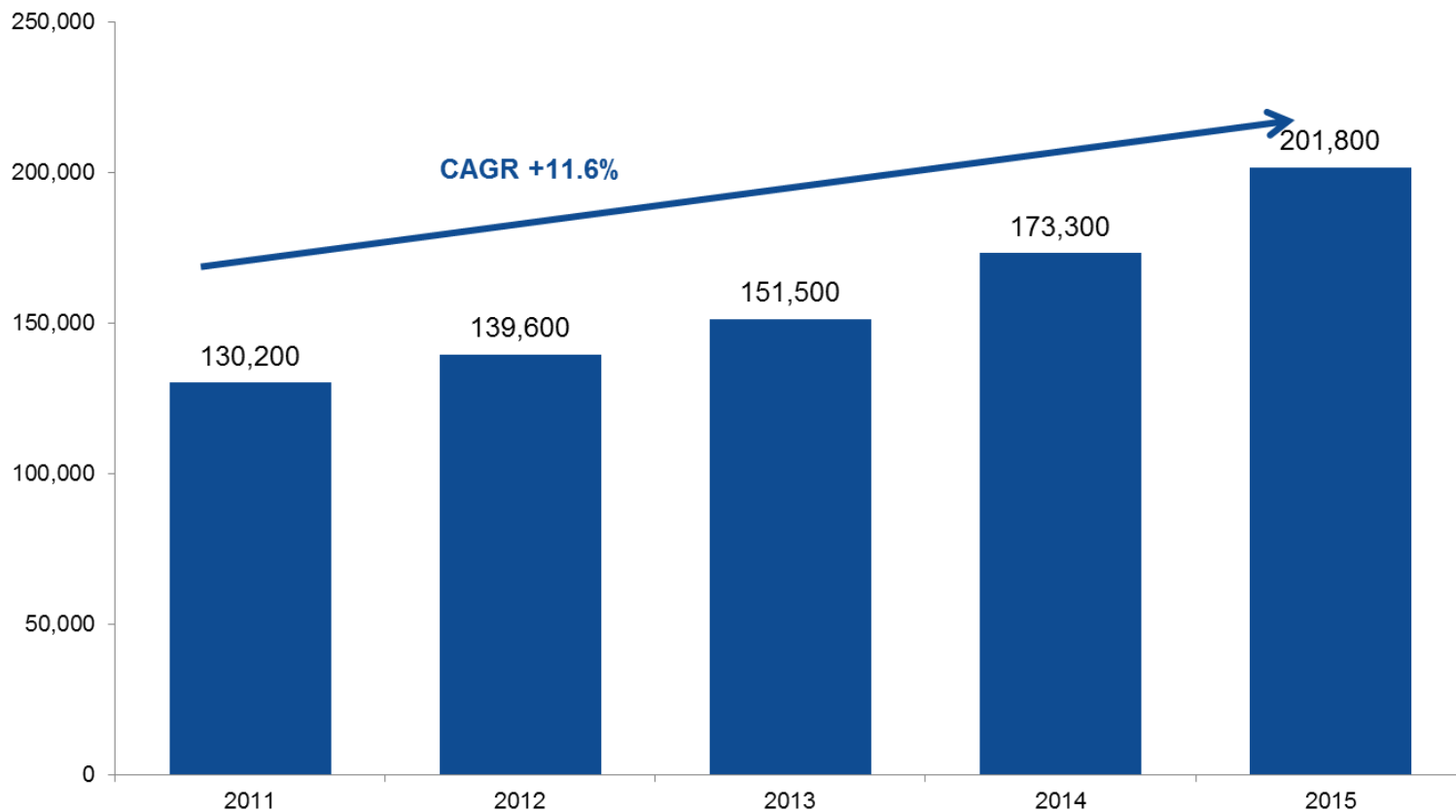
2015 passenger growth and capacity by region



Case study Indian market



Despite double digit growth market remains underserved



Case study Indonesian market



Indonesia is one of Sydney's largest underserved markets



552,400 passengers travelled in 2015
2.9% more than the year before

33%

Largest proportion of premium travel
between Australia and Indonesia

Indonesian visitor's journey purpose:

51% holiday	16% education
18% VFR	14% business

\$14.9B in trade
Australia's **12th** largest trade partner

JAKARTA

- 40% of Australia's 266,200 passengers

BALI

- 380,500 passengers between Sydney and Bali
- 38% more than 2014
- Australia's largest leisure outbound destination
- Five airlines servicing the route

Positioned for future growth



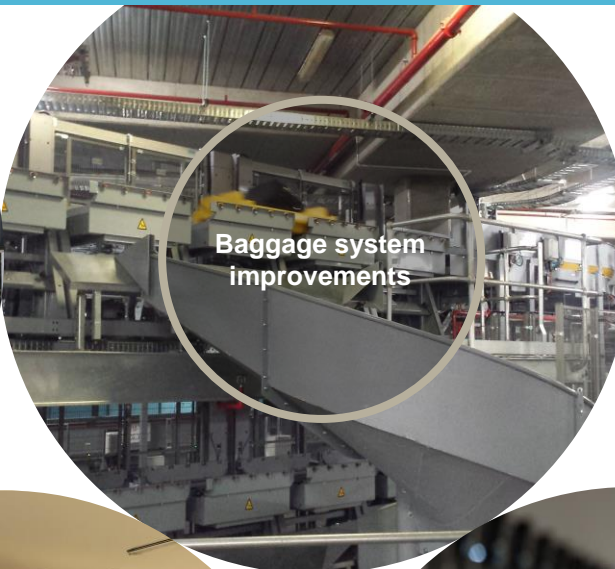
Delivering growth through investment



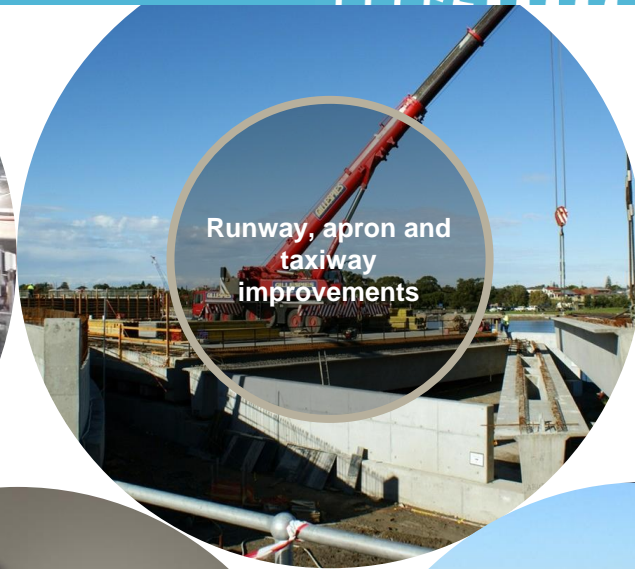
More than 180 projects currently underway, the largest investment program since the 2000 Olympics



Ground transport access roads



Baggage system improvements



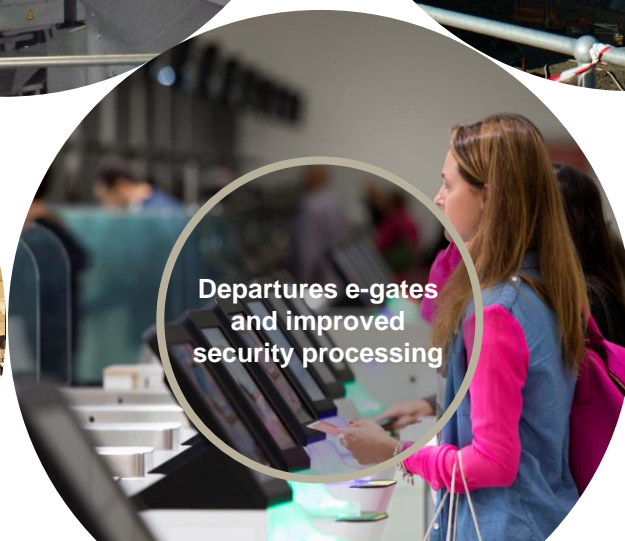
Runway, apron and taxiway improvements



Northern lands bridge



Dynamic wayfinding and improved gate lounges



Departures e-gates and improved security processing

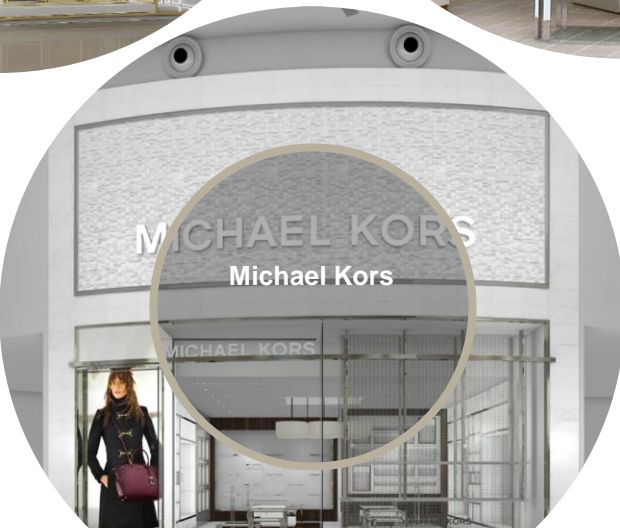


Northern lands bridge

Delivering growth through retail precinct expansion



Australian and airport firsts to meet changing passenger mix



Commercial growth driving improved ratings



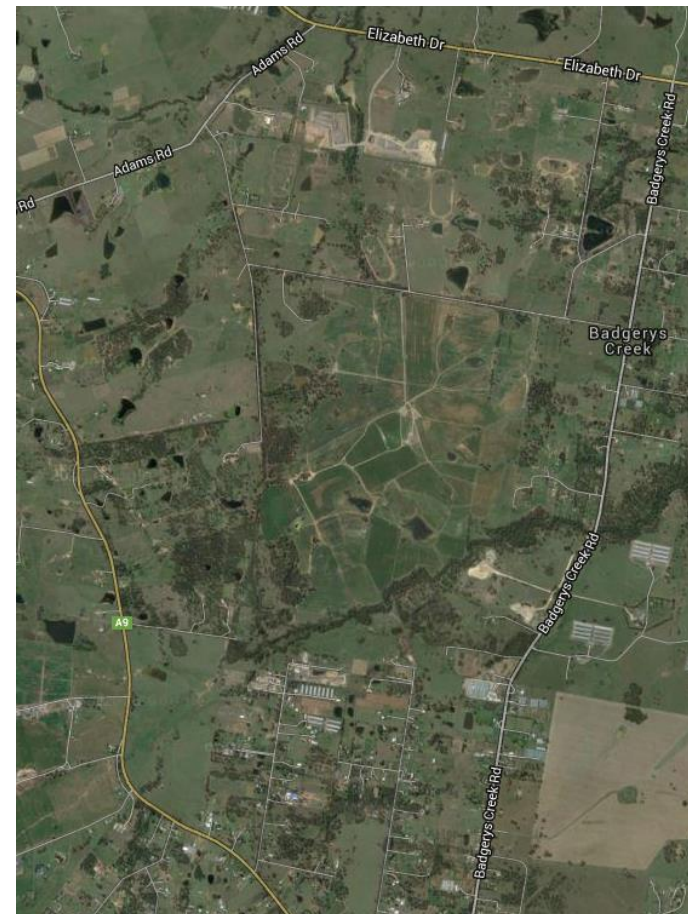
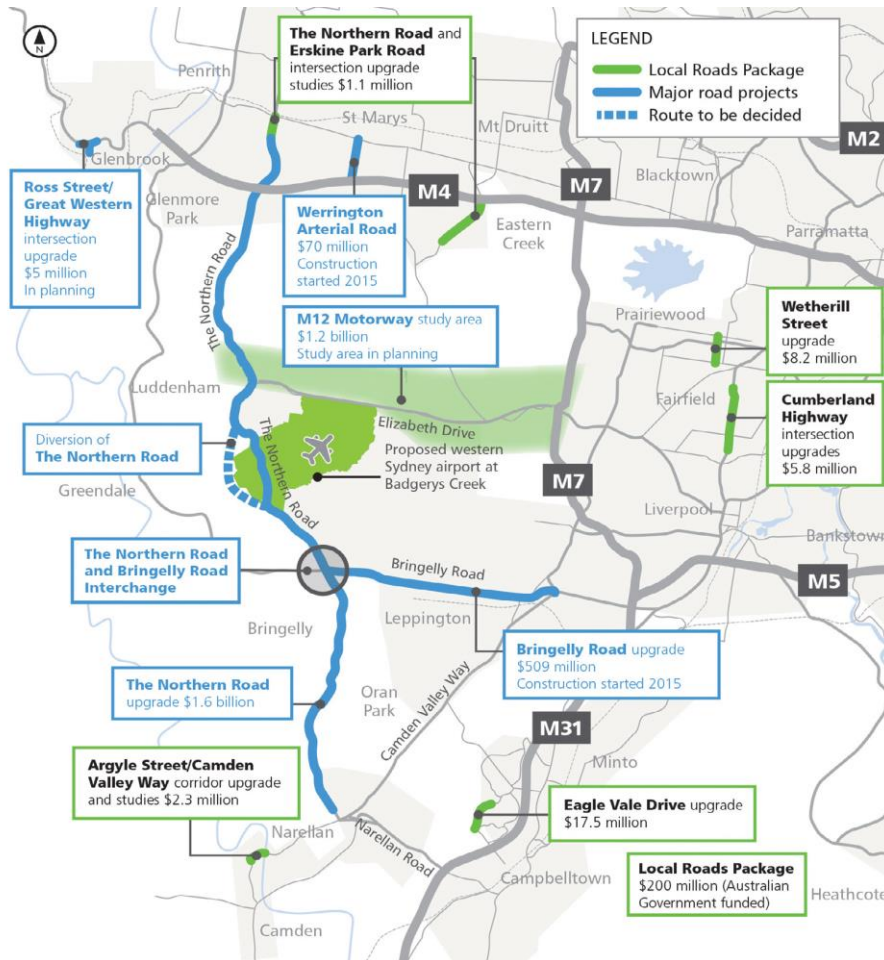
Expanded commercial offerings are delivering improved customer experiences



Western Sydney Airport update



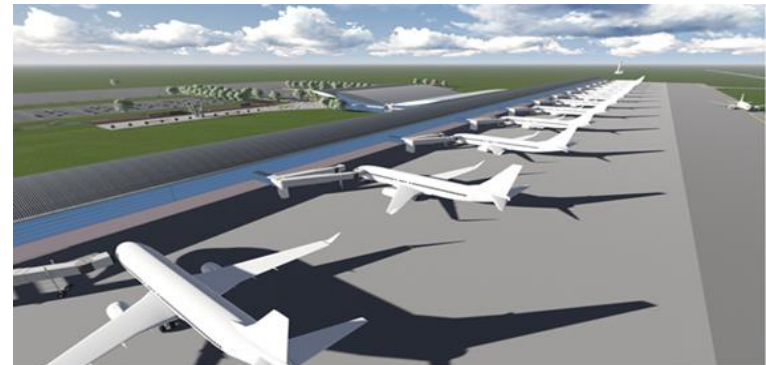
Significant infrastructure proposed surrounding the airport site



Western Sydney Airport vision



Full service international, domestic and freight airport supporting business and jobs



Western Sydney Airport process

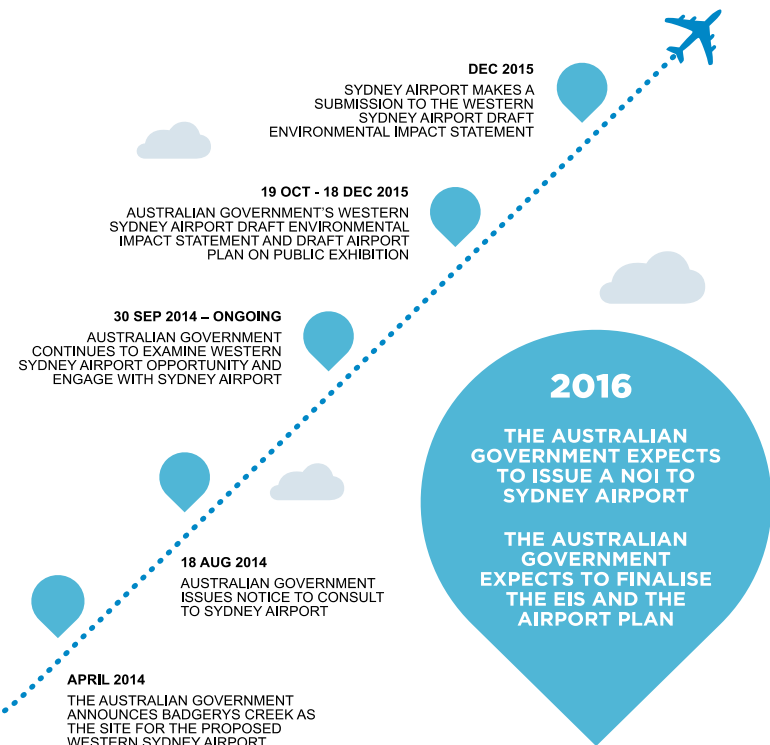


Sydney airport continues to evaluate the opportunity using our strict Investment evaluation principles

Western Sydney Airport update



Western Sydney Airport timeline





Well positioned to deliver continued strong growth and yield



Macro environment

- Macro aviation and Australian tourism market strong
- Solid NSW economic growth
- Historically low fuel costs

Balance sheet and financials

- No drawn debt maturities until 2018
- Diversified debt sources and long term maturity profile
- Debt portfolio 90% fixed or hedged

Operational

- Diversity of revenue and passenger mix
- Capitalising on commercial opportunities
- Investing to increase capacity and passenger experience improvements

Long term growth

- Significant investment with attractive returns
- T3 transaction
- Revenue strength supported by long term contracts
- WSA opportunity – evaluation approached with rigour and discipline

- **Distribution guidance of 30 cents per stapled security for 2016, representing growth of 17.6%**

THANK YOU

