

**MACQUARIE AIRPORTS**  
Sydney Airport  
Fact Book 2005



“...Australia’s busiest and most important commercial airport...”

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ROSEMOUNT ESTATE  
\$15.95

\$11.95

EXCLUSIVE  
\$15.95

PURE

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# Overview

# General Information



## Monetary Values

All monetary values are in Australian dollars unless otherwise stated

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## Senior Management

Max Moore-Wilton, Executive Chairman and CEO; Ruth Martin, Chief Financial Officer; Rod Gilmour, General Manager, Corporate Affairs and Human Resources; Greg Timar, General Manager, Aviation Business Development; Bob McFadyen, General Manager, Retail and Commercial Development; Colin Grove, General Manager, Property; Mark Rodwell, General Manager, Airport Operations; Julieanne Alroe, General Manager, Asset Planning and Services; Clair Hodge, Company Secretariat and Legal Counsel.

# Synopsis

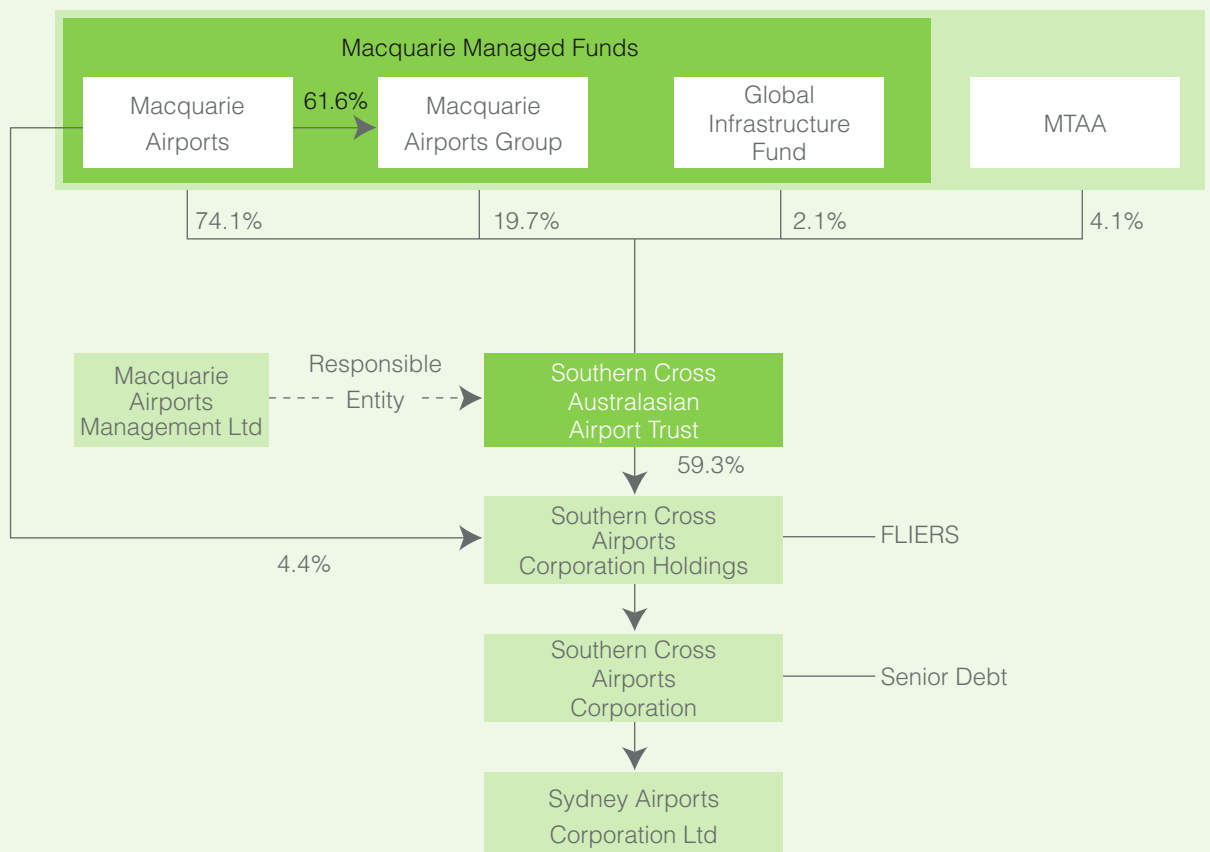


## About Sydney Airport

Sydney Airport – Australia's busiest and most important aviation hub for both passengers and freight – was opened in 1920 and is one of the oldest continuously operating airports in the world. Sydney Airport covers 907 hectares on the shoreline of Botany Bay, eight kilometres south of Sydney's central business district. The airport is a dynamic economic centre, requiring the services of some 500 businesses and organisations to meet the needs of airport users. Sydney Airport is owned under a 50 year lease, which started 1 July 1998, with an additional 49 year zero cost option.

## Ownership

In July 2002, Sydney Airport was sold by the Federal Government to the Southern Cross Airports Corporation Holdings Ltd. The corporate structure is as follows:



# Operational and Financial Overview



## Operational Overview

Location	8 km south of Sydney CBD
Runways	Sydney Airport has 3 runways: 16R/34L (North/South) 3,962m 16L/34R (North/South) 2,438m 07/25 (East/West) 2,530m
Terminals	T1 (International) – 34 gates T2 (Domestic) – 18 gates T3 (Qantas Domestic) – 13 gates Airfreight - 3 international terminals and 2 domestic terminals
Aeronautical Revenue	Aeronautical revenues are derived from charges applying to a range of aviation activities, such as an international passenger service charge, a runway charge and an aircraft parking charge
Retail/Services	T1 – 131 retail and service outlets T2 – 31 retail and service outlets
Commercial Trading	Revenue is comprised of both car parking revenue and revenue derived from the car rental companies There are 4 main car parks with a total of 9,430 public car spaces, 1,871 staff spaces, 546 valet and car wash spaces and 565 car rental spaces
Property	Revenues are generated from a portfolio of 422 leased sites, which comprise a total lettable area of 809,130m <sup>2</sup>
Land Area	907 hectares
Employees	286 (at 2004 financial year end)
Total Annual Passengers	26.4 million (2004 financial year)
Runway Capacity	80 co-ordinated flight movements per hour as per movement restrictions
Airlines	40 International 8 Domestic and Regional 8 Freight

## Financial Overview

Revenue (2003-2004)	\$548.4 million	
EBITDA (2003-2004)	\$423.5 million (including specific expenses)	
Credit Rating	Standard & Poor's Corporate: BBB- Senior Debt: BBB FLIERS: BBB-	Moody's Corporate: Baa3 Senior Debt: Baa2 FLIERS: Baa3
Financial Calendar	Financial year end 30 June	

# Economic Impact



In July 2001, Sydney Airport Corporation Limited (SACL) commissioned a report analysing the economic significance of Sydney Airport. The results of the study provide sound evidence that Sydney Airport is a major employment generator and wealth creator in the NSW economy.

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## Key Economic Benefits

Direct employment (full-time and part-time jobs) of 62,048, plus indirect employment of 108,414 for a total of 170,462 jobs. This represents 8.1% of the Sydney labor force

36,882 direct full time equivalent (FTE) jobs, plus 63,568 indirect FTE jobs for a total of 100,450 jobs at an average wage level that is 40% above the NSW average

Direct contribution of \$6.6 billion in NSW Gross State Product and after taking into account flow-on impacts a contribution of a total of \$13.6 billion to NSW Gross State Product

Direct generation of \$12.1 billion in output and after taking into account flow-on impacts, generation of \$24.9 billion in output

Direct provision of \$2.7 billion in household income and after taking into account flow-on impacts, provision of \$6.0 billion in household income

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## The economic impact of Sydney Airport is equivalent to:

- 2% of the Australian economy
- 6% of the NSW economy
- The Australian Capital Territory economy and is larger than the economies of Tasmania and the Northern Territory
- Having 2.7 Olympic Games in NSW every year

## International Comparisons

Sydney Airport compares favourably with airports in North America and Europe in terms of job creation per 1,000 passengers. Sydney Airport creates 6.6 total jobs per 1000 passengers, compared to 5.7 for North American Airports and 3.4 for European Airports.

# Facts and Awards



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## Interesting Facts about Sydney Airport

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The largest piece of contiguously owned commercial real estate in Sydney

Has more paved surfaces than the M2, M5 and Eastern Distributor combined

Has twice as many passengers per day than Circular Quay Ferry Terminal (and almost as many as Town Hall Railway Station)

Has more terminal floor space than 4 of the CBD's tallest sky-scrapers

Has more commercial building floor space than 10 CBD sky-scrapers

International visitors using Sydney Airport spend about A\$2.6 billion annually in the Sydney area

In 2004, 47.2% of all international passenger traffic to Australia was through Sydney Airport

In 2004, 16.3% of all Australian domestic passenger traffic was on the Sydney-Melbourne route

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Sources: SACL and the Bureau of Transport and Regional Economics

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## Awards and Recognition

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Awarded the Australian Airports Association '**Airport of the Year**' in 2000

Voted IATA No.1: '**Best Airport Worldwide**' award (15-25 million passengers) for 2001

Ranked in the top 5 out of all airports in the annual Skytrax Global Passenger Satisfaction 2003 Survey

In the top 10 for overall passenger satisfaction (15-25 million passengers) in the annual IATA Global Airport Monitor in 2003

Voted '**Best Airport in the Australia/Pacific Region**' in the annual Skytrax Global Passenger Satisfaction 2004 Survey

Ranked in the top 10 airports worldwide in the Skytrax 2005 World Airport Awards

Awarded the '**Best Airport in the Australia/Pacific Region**' award in the Skytrax 2005 World Airport Awards

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# Traffic and Aeronautical

# Passengers, Aircraft & Cargo



## ... Gateway to Australia ...

Sydney Airport is the premier international gateway to Australia handling almost 50% of all international passengers. Domestically, Sydney Airport is the leading Australian airport with 33% of domestic and 37% of regional passengers. Sydney Airport's total traffic for the year ended 30 June 2004 was 26.4 million passengers, an increase of 10.3% on the pcp. International traffic increased by 9.8% on the pcp, as it rebounded from the effects of SARS and the Iraq conflict, while domestic traffic increased by 10.6% to 17.5 million confirming the continued strength of the domestic market.

Year Ended 30 June		2004 <sup>1</sup>	2003 <sup>2</sup>	2002	2001	2000
Passenger Movements	Domestic <sup>3</sup>	17,452,860	15,777,476	15,454,981	17,304,786	15,405,739
	International <sup>4</sup>	8,972,781	8,172,040	8,408,563	9,131,717	8,394,712
	<b>Total</b>	<b>26,425,640</b>	<b>23,949,516</b>	<b>23,863,544</b>	<b>26,436,503</b>	<b>23,800,451</b>
Aircraft Movements	Domestic <sup>3</sup>	184,463	171,613	179,402	233,929	208,671
	International	51,465	46,374	45,795	49,296	45,908
	General Aviation	23,342	23,337	22,003	26,847	30,939
	Freight	7,476	10,658	7,529	7,267	7,592
	<b>Total</b>	<b>266,746</b>	<b>251,982</b>	<b>254,729</b>	<b>317,339</b>	<b>293,110</b>
Tonnage ('000s)	Domestic <sup>3</sup>	5,690	5,487	5,747	6,622	6,032
	International	6,608	6,010	6,110	6,765	6,393
	General Aviation	69	66	55	75	72
	Freight	475	452	416	430	428
	<b>Total</b>	<b>12,842</b>	<b>12,014</b>	<b>12,328</b>	<b>13,892</b>	<b>12,925</b>

Source: SACL

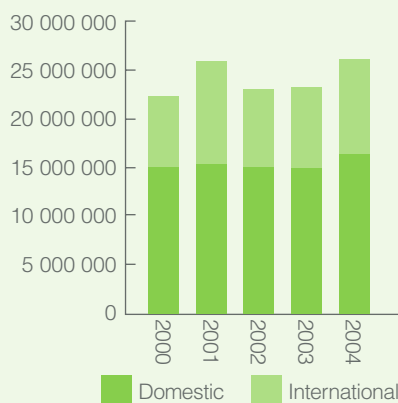
<sup>1</sup> Regional pax movements contain estimates – movements and tonnage as at 2 August 2004

<sup>2</sup> Pax movements include recent adjustments to regional pax – A/C movements and tonnage as at 2 August 2004

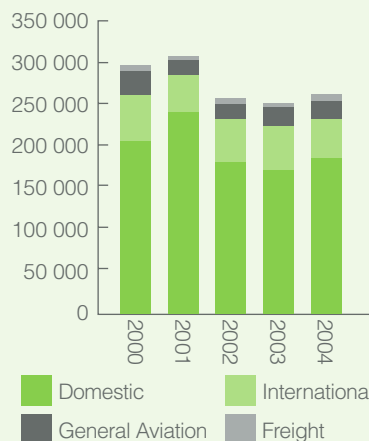
<sup>3</sup> Domestic includes regional

<sup>4</sup> International pax movements include domestic on-carriage

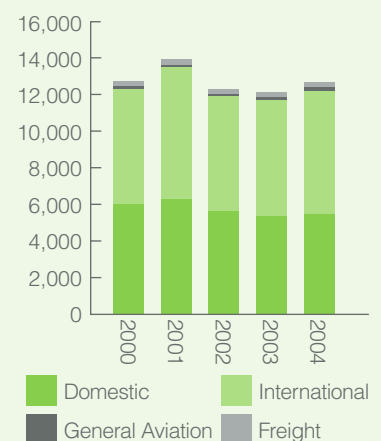
Passengers



Aircraft Movements



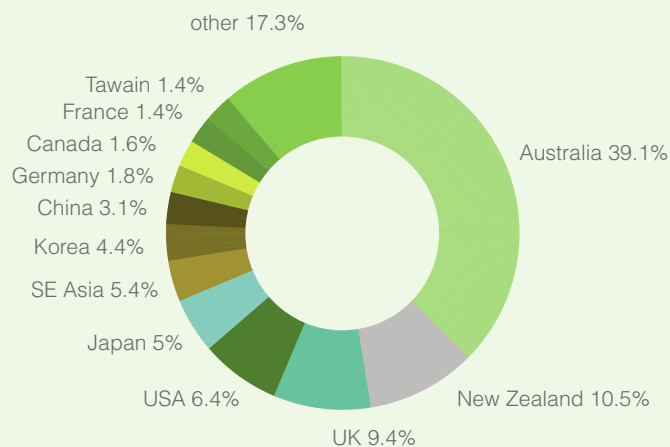
Tonnage '000s



# Passengers, Aircraft & Cargo (cont.)



## International Travellers by Nationality for the Year Ended June 2004



Source: SACL

## Top 10 Airlines by Passengers

Year Ended June 2004

1 Qantas	6 United Airlines
2 Air New Zealand	7 Cathay Pacific
3 Singapore Airlines	8 Malaysia Airlines
4 Japan Airlines	9 Air Pacific
5 British Airways	10 Thai Airways

Source: SACL

Sydney Airport is the home base to Qantas, a key member of the oneworld global alliance and also a major centre for Virgin Blue in its domestic operations. Key members of the global Star Alliance, Singapore Airlines and Air New Zealand also have a significant presence at Sydney Airport.

# Passengers, Aircraft & Cargo (cont.)



## Top Five International Destinations

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### Year Ended June 2004

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- 1 Auckland
  - 2 Singapore
  - 3 Los Angeles
  - 4 Hong Kong
  - 5 Christchurch
- 

Source: Bureau of Transport and Regional Economics

## Top Ten Domestic City Pairs

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### Year Ended June 2004

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- |               |                  |
|---------------|------------------|
| 1 Melbourne   | 6 Cairns         |
| 2 Brisbane    | 7 Canberra       |
| 3 Coolangatta | 8 Maroochydore   |
| 4 Adelaide    | 9 Darwin         |
| 5 Perth       | 10 Coffs Harbour |
- 

Source: Bureau of Transport and Regional Economics

# Regulatory Framework



## Price Regulation – Monitoring Regime

In May 2002, the Federal Government accepted the Productivity Commission's recommendation to remove price controls and introduce price monitoring. As a result, from 1 July 2002 Sydney Airport has moved to a price monitoring regime.

## Quality of Services Monitoring

Airports Regulations require Sydney Airport to provide information to the ACCC on a range of indicators covering aspects of service quality performance. This is aimed at providing transparency about airport performance and discouraging airport operators from providing unsatisfactory standards for services. Sydney Airport is required to provide the ACCC with passenger perception surveys (conducted by Sydney Airport). The ACCC also obtains information from airline operators, the Australian Customs Service, Airservices Australia and surveys airlines.

## Regulatory Accounts Reporting

Sydney Airport is required to provide the ACCC with annual financial accounts for Sydney Airport no later than 90 days after the end of a prescribed accounting period.

## Monitoring of Aeronautically Related Services

Aeronautical related services are subject to formal price monitoring of costs, revenues and profits by the ACCC. Aeronautical related services include aircraft refuelling, freight facilities, aircraft maintenance site and buildings, and car parking.

## Flight Restrictions

Like many other major airports world-wide, Sydney Airport is subject to the following operating requirements:

- a night curfew which prevents movements with limited exceptions between 11.00pm and 6.00am;
- a maximum limit of 80 planned movements in any one hour; and
- the Long Term Operating Plan administered by Airservices Australia (responsible for air traffic control and airspace management) designed to facilitate "noise sharing", effectively making use of the east-west runway during off-peak periods.

## ACT Review

In October 2002, domestic airline Virgin Blue applied to the National Competition Council (NCC) for declaration of Sydney Airport's domestic terminal and airside facilities under the Trade Practices Act access regime. The application relating to the terminal was subsequently withdrawn by Virgin Blue.

The Government determined in January 2004 that declaration of airside facilities was not warranted, based on a recommendation by the NCC. Virgin Blue then exercised its right of appeal to the Australian Competition Tribunal (ACT) and was supported in this action by Qantas. The ACT heard the case in October 2004 and has adjourned to consider its decision. The exact timing of the decision outcome remains uncertain.

# The Commercial Business

# Retail



## A shopping destination in its own right...

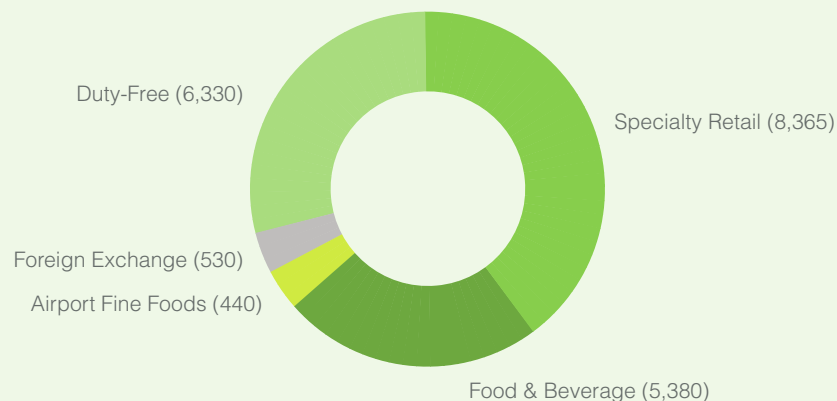
Sydney Airport had total retail sales of \$131.8 million for the 2004 financial year, making it amongst the largest retail centres in Australia. Sydney Airport's retail activities include duty free, news agents, specialist retail, currency exchange, food and beverage and other retail services.

There are 131 duty-free, speciality retail and service outlets in the international terminal (T1) providing shoppers with the best Australia and the World has to offer. In addition, there are 19 eateries and bars, many of which were updated in the recent redevelopment of the T1 food court. A majority of the 9.0 million annual international passengers at Sydney Airport are on long haul flights with extended dwell times – ideal for making the most of T1's 18,407m<sup>2</sup> of retail space.

In the domestic terminal (T2), there are currently 31 retail and service outlets, with a retail space of 2,638m<sup>2</sup>. T2 passengers have benefitted from an increase in retail space, encompassing new retail stores as well as additional food and beverage options to satisfy expected future traffic growth.

Duty-free revenue represents about two thirds of all retail revenue. A major retail initiative has been the implementation of walkthrough duty-free stores, which have improved the shopping experience for travellers and resulted in increased revenues. Duty-free stores now account for 6,330m<sup>2</sup> of the combined 21,045m<sup>2</sup> of retail space at Sydney Airport.

## Sydney Airport Retail Space (m<sup>2</sup>)



Source: SACL

## Retail (cont.)



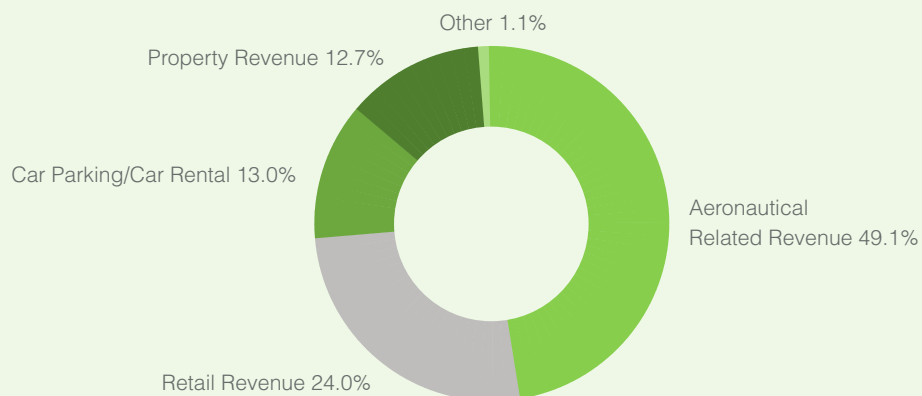
Retail revenue was \$131.8 million in the 2004 financial year, predominantly from T1.

Year Ended 30 June	2004	2003	2002	2001	2000
Retail Revenue (\$'000)	131,805	123,374	115,520	117,324	94,007

Source: SACL Annual Reports

### Sydney Airport Revenue 2004

Retail activities are the second largest source of revenue to Sydney Airport, accounting for 24.0% of total revenue for the financial year ending June 2004.



Source: SACL

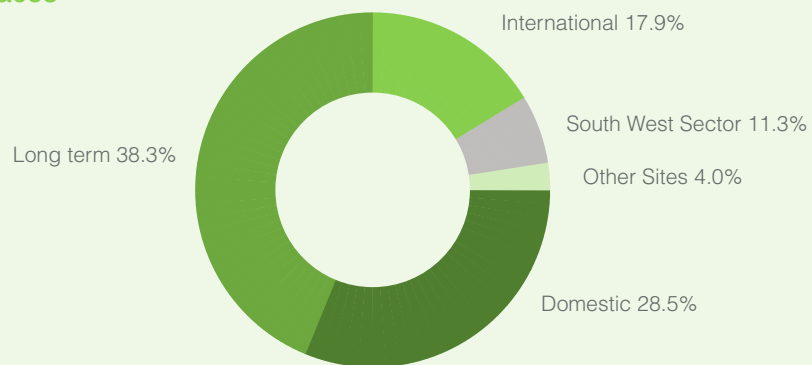
# Car Parking and Car Rental



... Twice as many car parking spaces than the largest shopping centre in NSW...

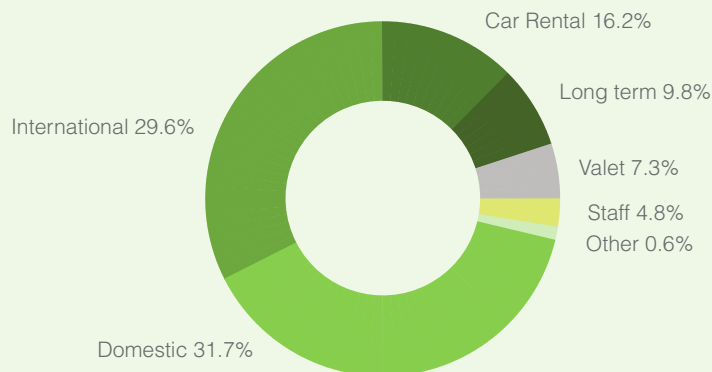
Sydney Airport operates international short term, domestic short term and long term car parks as well as staff parking. In addition, Sydney Airport has developed its own brand "Pronto!" to provide valet services to passengers in the domestic precinct. There are a total of 9,430 public car spaces, 1,871 staff car spaces, 546 valet and car wash spaces and 565 car rental spaces.

## Car Parking Spaces



Source: SACL

## Commercial Trading Revenue



Source: SACL

In addition to car park revenue, Sydney Airport also derives revenue from the award of contracts to six car rental operators at Sydney Airport: Avis, Hertz, Budget, Thrifty, Delta Europcar and Redspot. The total revenue derived from both of these sources was \$71.2 million in the 2004 financial year.

Year Ended 30 June	2004	2003	2002	2001	2000
Commercial Trading Revenue (\$'000)	71,221	63,833	58,609	58,560	53,973

Source: SACL Annual Reports

# Property



## ...An Untapped Opportunity...

Revenues are generated from the management of an extensive portfolio of commercial and industrial properties. Revenues are received from the Qantas domestic terminal lease and infrastructure contracts, international terminal rentals, aviation sites, non-aviation sites, Terminal 2, outgoings and other miscellaneous property income. Sydney Airport has a net lettable area of 809,130m<sup>2</sup>. The portfolio encompasses 422 leased sites.

During the 2004 financial year a number of significant leasing deals were concluded including a 4,000m<sup>2</sup> lease to Visy Paper Pty for a recycling facility; the leasing of the remaining ex-Ansett hangars and lease renewals to Patrick Corporation, Australian Air Express and Alpha Catering.

In the 2004 financial year, total property revenue was \$69.6 million.

Year Ended 30 June	2004	2003	2002	2001	2000
Property Revenue (\$'000) <sup>1</sup>	69,627	67,976	71,476	67,287	60,639

Source: SACL Annual Reports

<sup>1</sup> 2000-2002 include revenues from former Ansett terminal, which are now reflected in aeronautical revenues

The potential for growth in the property portfolio is beginning to be realised with the recent completion of a ten storey, 15,000m<sup>2</sup> office block within the boundaries of the T1 car park. The building is fully leased, with the key tenant being Australian Customs Service. Other recently completed property developments include DHL's 15,000m<sup>2</sup> purpose built freight facility and a six storey Accor F1 hotel.

There are also major areas of development potential including:

- A 100,000m<sup>2</sup> commercial and warehouse development in the Northern Airport Precinct
- Over 40 hectares of land available for development in the South East sector
- A potential 120,000m<sup>2</sup> of commercial floor space along Joyce Drive/Qantas Drive
- Development of the car parks in the Domestic and International Precincts
- Development of a Roadside Services Centre on General Holmes Drive
- A potential 120,000m<sup>2</sup> of commercial floorspace in the International Precinct



# Financials

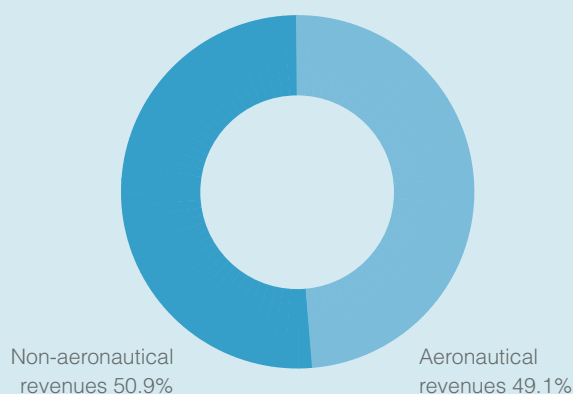
# Financial Highlights



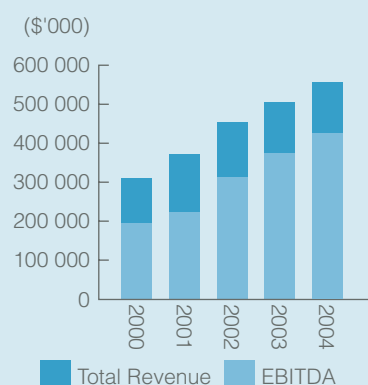
Financial Performance (\$'000)	2004	2003	2002	2001	2000
Aeronautical revenues	269,262	241,233	205,968	130,781	101,434
Non-aeronautical revenues	279,181	260,512	248,023	246,820	211,268
Total revenue	548,443	501,745	453,991	377,601	312,702
Operating expenses	(124,952)	(125,459)	(137,721)	(151,142)	(122,340)
EBITDA	423,491	376,286	316,270	226,459	190,362

Source: SACL Annual Reports

## Revenue 2004



## Historical Revenue and EBITDA



Passengers	2004	2003	2002	2001	2000
Total passengers	26,425,640	23,949,516	23,863,544	26,436,503	23,800,451

Key Performance Indicators	2004	2003	2002	2001	2000
Revenue/passenger (\$)	20.75	20.95	19.02	14.28	13.14
Operating expenses/passenger (\$)	4.73	5.24	5.77	5.72	5.14
Retail revenue/passenger (\$)	4.99	5.15	4.84	4.44	3.95
EBITDA/passenger (\$)	16.03	15.71	13.25	8.57	8.00
EBITDA margin	77.2%	75.0%	69.7%	60.0%	60.9%

Employees (as at financial year end)	2004	2003	2002	2001
	286	382	400	482

Source: SACL Annual Reports

# Statement of Financial Performance



Year Ended 30 June	2004	2003	2002	2001	2000
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating Revenue</b>					
Aeronautical <sup>1</sup>	269,262	241,233	205,968	130,781	101,434
Retail	131,805	123,374	115,520	117,324	94,007
Commercial Trading <sup>2</sup>	71,221	63,833	58,609	58,560	53,973
Property	69,627	67,976	71,476	67,287	60,639
<b>Total operating revenue</b>	<b>541,915</b>	<b>496,416</b>	<b>451,573</b>	<b>373,952</b>	<b>310,053</b>
<b>Non-Operating Revenue</b>					
Proceeds from sale of non-current assets	202	2,992	348	269	194
Dividends from wholly owned group				990	439
Other	6,326	2,337	2,070	2,390	2,016
<b>Total non-operating revenue</b>	<b>6,528</b>	<b>5,329</b>	<b>2,418</b>	<b>3,649</b>	<b>2,649</b>
<b>Total revenue from ordinary activities (before interest)</b>	<b>548,443</b>	<b>501,745</b>	<b>453,991</b>	<b>377,601</b>	<b>312,702</b>
<b>Operating Expenditure</b>					
Labour	34,346	39,428	46,491	43,639	37,293
Services and utilities	52,476	50,513	48,722	46,409	35,537
Other operational costs	14,636	19,364	18,517	27,342	32,242
Property and maintenance	12,457	12,431	14,319	16,231	17,268
Specific expenses not included in above:					
Privatisation related costs		(393)	5,301	8,526	
Sydney Olympics costs				5,493	
Airline litigation costs			274	3,502	
Ansett bad debts written-off			4,097		
Restructuring and redundancy	7,557	2,156			
Airline regulatory action	791				
Aeronautical data adjustment	2,572				
Cost of non-current assets sold	117	1,960			
<b>Total operating expenditure</b>	<b>124,952</b>	<b>125,459</b>	<b>137,721</b>	<b>151,142</b>	<b>122,340</b>
<b>EBITDA</b>	<b>423,491</b>	<b>376,286</b>	<b>316,270</b>	<b>226,459</b>	<b>190,362</b>
<b>Depreciation and Amortisation</b>	<b>140,885</b>	<b>136,148</b>	<b>101,209</b>	<b>95,450</b>	<b>70,203</b>
<b>Net Borrowing Costs</b>	<b>547,135</b>	<b>528,582</b>	<b>74,840</b>	<b>79,405</b>	<b>57,463</b>
<b>Income Tax</b>		<b>(32,297)<sup>3</sup></b>	<b>53,104</b>	<b>28,761</b>	<b>19,854</b>
<b>Profit after Tax</b>	<b>(264,529)</b>	<b>(256,147)</b>	<b>87,117</b>	<b>22,843</b>	<b>42,842</b>

Source: SACL Annual Reports

<sup>1</sup> Includes aeronautical security recovery

<sup>2</sup> Car Parking, Car Rental

<sup>3</sup> This is an income tax benefit relating to profit/(loss) from ordinary activities

# Statement of Financial Position



As at 30 June	2004	2003	2002	2001	2000
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current Assets</b>					
Cash	445,757	482,803	32,658	6,706	7,382
Receivables	38,476	38,756	33,642	44,085	31,023
Other assets	2,412	3,024	2,267	3,999	7,705
<b>Total current assets</b>	<b>486,645</b>	<b>524,583</b>	<b>68,567</b>	<b>54,790</b>	<b>46,110</b>
<b>Non-Current Assets</b>					
Receivables					10,000
Investments				127	34,190
Property, plant & equipment	5,115,195	5,146,331	3,124,991	3,177,213	3,151,860
Airport Licence	533,049	538,825			
Other Assets	112,188	126,749	6,954	6,436	4,240
Prepayments				2,187	4,601
<b>Total non-current assets</b>	<b>5,760,432</b>	<b>5,811,905</b>	<b>3,131,945</b>	<b>3,185,963</b>	<b>3,204,891</b>
<b>Total Assets</b>	<b>6,247,077</b>	<b>6,336,488</b>	<b>3,200,512</b>	<b>3,240,753</b>	<b>3,251,001</b>
<b>Current Liabilities</b>					
Payables	290,592	203,967	70,105	58,566	68,961
Interest-bearing liabilities	1,041,000			861,462	9,000
Tax liabilities			37,541	1,713	6,181
Provisions	5,863	7,067	7,106	57,368	18,165
<b>Total current liabilities</b>	<b>1,337,455</b>	<b>211,034</b>	<b>114,752</b>	<b>979,109</b>	<b>102,307</b>
<b>Non-Current Liabilities</b>					
Interest-bearing liabilities	4,961,250	5,912,550	1,159,560	400,000	1,216,000
Deferred tax liabilities			30,508	26,512	13,953
Provisions	1,146	1,149	885	968	920
<b>Total non-current liabilities</b>	<b>4,962,396</b>	<b>5,913,699</b>	<b>1,190,953</b>	<b>427,480</b>	<b>1,230,873</b>
<b>Total Liabilities</b>	<b>6,299,851</b>	<b>6,124,733</b>	<b>1,305,705</b>	<b>1,406,589</b>	<b>1,333,180</b>
<b>Net Assets/(Liabilities)</b>	<b>(52,774)</b>	<b>211,755</b>	<b>1,894,807</b>	<b>1,834,164</b>	<b>1,917,821</b>
<b>Shareholder's Equity</b>					
Share Capital	467,902	467,902	794,000	794,000	794,000
Retained Earnings/(Accumulated Losses)	(520,676)	(256,147)	60,643		36,062
Reserves			1,040,164	1,040,164	1,087,789
<b>Total Equity/(Deficiency in Equity)</b>	<b>(52,774)</b>	<b>211,755</b>	<b>1,894,807</b>	<b>1,834,164</b>	<b>1,917,851</b>

Source: SACL Annual Reports

# Statement of Cash Flows



Year Ended 30 June	2004	2003	2002	2001	2000
<b>Cash Flows from Operating Activities</b>	\$'000	\$'000	\$'000	\$'000	\$'000
Cash was provided from:					
Receipts from customers	600,834	545,830	520,215	403,571	309,945
Interest Received	22,354	22,125	602	1,131	1,290
Dividends Received		2		364	755
Cash was applied to:					
Payments to suppliers and employees	(187,371)	(182,878)	(150,483)	(170,005)	(126,504)
Income tax paid		(33,306)	(13,799)	(22,865)	(47,193)
GST paid			(33,698)	(21,660)	
Debt establishment costs paid		(149,422)			
Borrowing costs paid	(465,921)	(382,417)	(65,396)	(82,539)	(50,921)
<b>Net cash flows from operating activities</b>	<b>(30,104)</b>	<b>(180,066)</b>	<b>257,441</b>	<b>107,997</b>	<b>87,372</b>
<b>Cash Flows from Investing Activities</b>					
Cash was provided from:					
Proceeds from disposal of property, plant and equip.	202	2,992	348	269	194
Proceeds from sale of shares			23		
Liquidation of investments in subsidiaries				2,527	628
Proceeds from sale of short term deposits					13,955
Refund of acquisition costs	206				
Advances to related parties					1,089
Cash was applied to:					
Payment for business					
Property, plant & equipment	(93,432)	(243,124)	(53,253)	(124,218)	(101,987)
Advances to related parties				(146)	
Capitalised borrowing costs	(3,618)	(5,867)	(608)	(2,628)	(11,667)
Development of International Terminal					(280,618)
Acquisition of business		(4,312,024)			
<b>Net cash flows from investing activities</b>	<b>(96,642)</b>	<b>(4,558,023)</b>	<b>(53,490)</b>	<b>(124,196)</b>	<b>(378,406)</b>
<b>Cash Flows from Financing Activities</b>					
Cash was provided from:					
Proceeds from borrowings	89,700	5,301,300		45,462	375,000
Proceeds from issue of FLIERS		600,000			
Proceeds from issue of redeemable preference shares		1,511,250			
Proceeds from issue of ordinary shares		503,750			
Cash was applied to:					
Repayment of borrowings		(2,659,560)	(101,902)	(9,000)	(49,000)
Dividends paid			(76,097)	(20,939)	(29,571)
Return of capital		(15,000)			
Costs of issue of ordinary shares		(20,848)			
<b>Net cash flows from financing activities</b>	<b>89,700</b>	<b>5,220,892</b>	<b>(177,999)</b>	<b>15,523</b>	<b>296,429</b>
Net increase (decrease) in cash held	(37,046)	482,803	25,952	(676)	5,395
Add opening cash brought forward	482,803		6,706	7,382	1,987
<b>CLOSING CASH</b>	<b>445,757</b>	<b>482,803</b>	<b>32,658</b>	<b>6,706</b>	<b>7,382</b>

Source: SACL Annual Reports

# Debt Profile and Hedging



## Debt Profile

Facility	Amount (\$m)	Rate	Commencng	Maturity
Senior Debt				
Tranche A	450	Confidential	Sep-04	5 years
Tranche B	550	Confidential	Sep-04	7 years
Tranche C <sup>1</sup>	450	Confidential	Sep-04	5 years
Working Capital / Liquidity <sup>2</sup>	135	Confidential	Sep-04	2/5 years

## Senior Debt Bond Issues

Medium Term Notes	1,500	Confidential	Oct-02	5/10 years
Medium Term Notes	1,420	Confidential	Sep-04	5/10/11 years
Capital Indexed Bond <sup>3</sup>	150	Confidential	Sep-04	16 years

<b>FLIERS</b>	600	400 bp over BBSY	Aug-02	10 years
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Source: SACL

<sup>1</sup> Undrawn facility to be drawn according to growth capital expenditure over the term of the facility

<sup>2</sup> Undrawn facilities

<sup>3</sup> Bond that indexes at CPI

## Hedging Policy

Sydney Airport's hedging policy is to ensure that 90% of the senior debt is hedged until 30 June 2005. Thereafter the minimum requirement will be 75% of senior debt.

# Capital Expenditure



The quality and standard of Sydney Airport's facilities are amongst the highest in the world. As a result of previous capital expenditure and the quality of the airport's facilities, there is currently ample surplus capacity at Sydney Airport. Runway capacity is 80 co-ordinated movements per hour. According to an IATA independent traffic report on Sydney Airport in 2002, Sydney Airport's existing runway configuration is sufficient to meet demand until 2020.

## Historical Capital Expenditure

Sydney Airport undertook a major capital investment program, in preparation for the Sydney 2000 Olympic Games. This resulted in the finalisation of the extensive infrastructure construction program by 2000. An upgrade of the retail facilities in the international terminal was implemented in 2001. In 2003, 81% of total capital expenditure related to T2 (the former Ansett terminal).

Year Ended 30 June	2004	2003	2002	2001	2000
Capital Expenditure (\$m) <sup>1</sup>	93.4	243.1 <sup>2</sup>	53.3	124.2	102.0

Source: SACL Annual Reports

<sup>1</sup> Before capitalised borrowing costs

<sup>2</sup> Includes acquisition cost of T2

## Current major capital projects

Current major capital projects include the following:

- Various works are currently underway at the airport to accommodate the arrival of the new, larger and quieter A380 aircraft, with an estimated cost of around \$100 million, subject to consultation with the airlines. A consultation program is currently underway with the airlines to scope the requirements to accommodate the A380.
- 100% checked bag screening has been put in place and successfully operating since 31 December 2004. Throughout 2005, this will be upgrade to a fully automated system, at a cost of \$70 million.

Forecast Capital Expenditure (\$m) <sup>1</sup>	2005-09	2010-14	2015-19	2020-24	Total
Growth <sup>2</sup>	438	496	465	439	1,838
Maintenance <sup>2</sup>	100	105	119	135	459
<b>Total</b>	<b>538</b>	<b>601</b>	<b>584</b>	<b>574</b>	<b>2,297</b>

Source: SACL

<sup>1</sup> Estimates provide indicative view of future investment consistent with traffic forecasts in Master Plan

<sup>2</sup> Numbers include CPI allowance at 2.5%











NO	CHG	AMENDMENT	EXAM	DATE	BY

**SYDNEY AIRPORT**  
**PHOTOGRAPHIC LAYOUT**



SCALE	Not to Scale
DRAWING NO.	c08209
SHEET	2 A4

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