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21 May 2009

**ASX RELEASE**



**MACQUARIE AIRPORTS  
ANNUAL GENERAL MEETING**

Please find attached the presentation to be given by Chairman, Max Moore-Wilton, and Chief Executive Officer, Kerrie Mather, at the Macquarie Airports' Annual General Meeting which will be held today in Sydney at 11am.

There will be a live audio webcast accessible from the MAp website.  
([www.macquarie.com/map](http://www.macquarie.com/map))

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# MACQUARIE AIRPORTS ANNUAL GENERAL MEETING - 21 MAY 2009





# Disclaimer

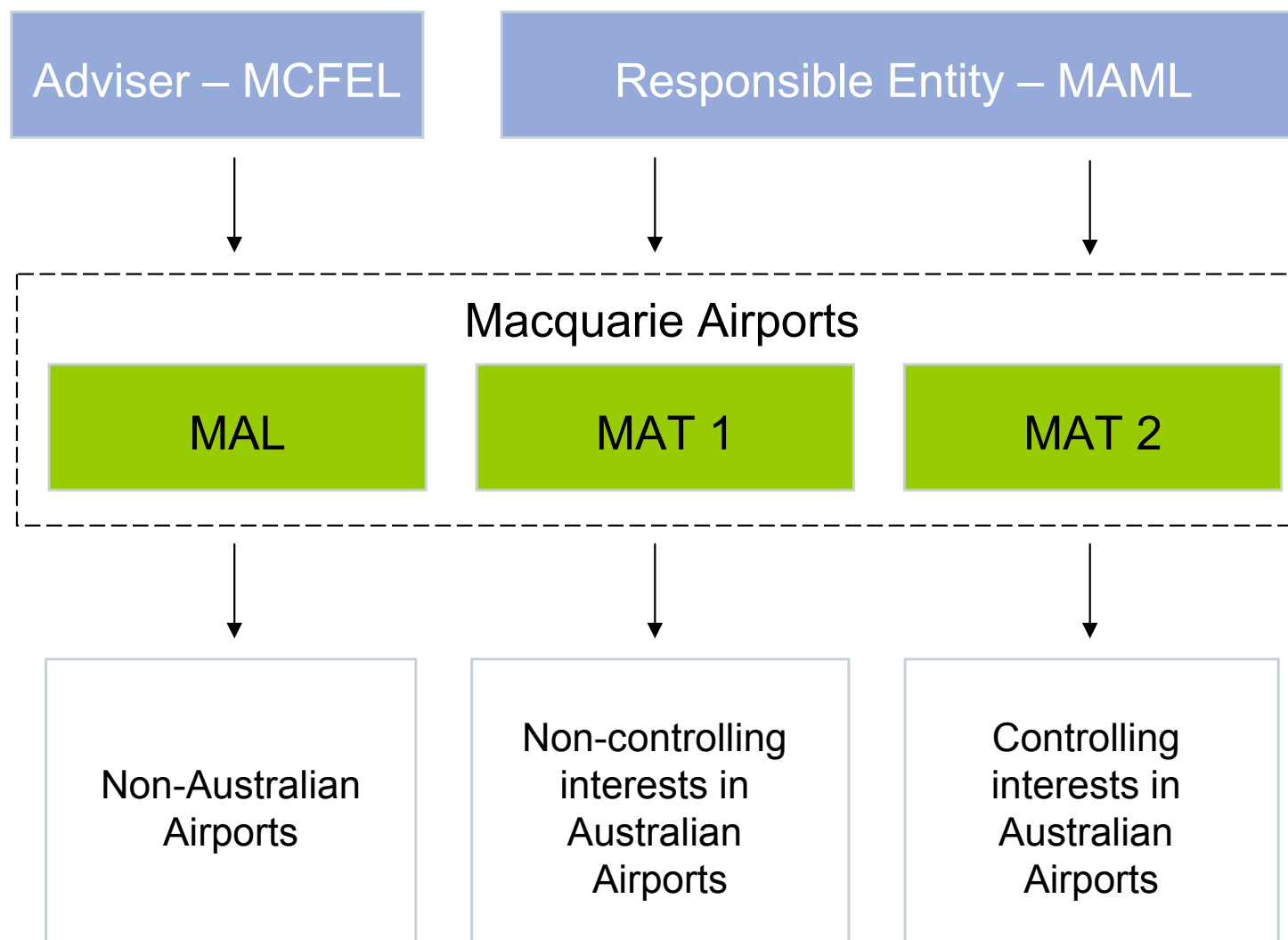
## Disclaimer

MAp is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia) and its obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of MAp.

## General Securities Warning

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 MAp, 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 MAp. 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 MAp. Past performance is not a reliable indication of future performance.





# Board Members

- **Max Moore-Wilton** Non-Executive Chairman
- **Trevor Gerber** Independent
- **Bob Morris** Independent
- **Michael Lee** Independent

- **Chairman's Statement**
- **Chief Executive Officer's Report**
- **Resolutions**
- **Closure of Meeting**
- **Refreshments**





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# CHAIRMAN'S STATEMENT

## Max Moore-Wilton



## Key Statistics

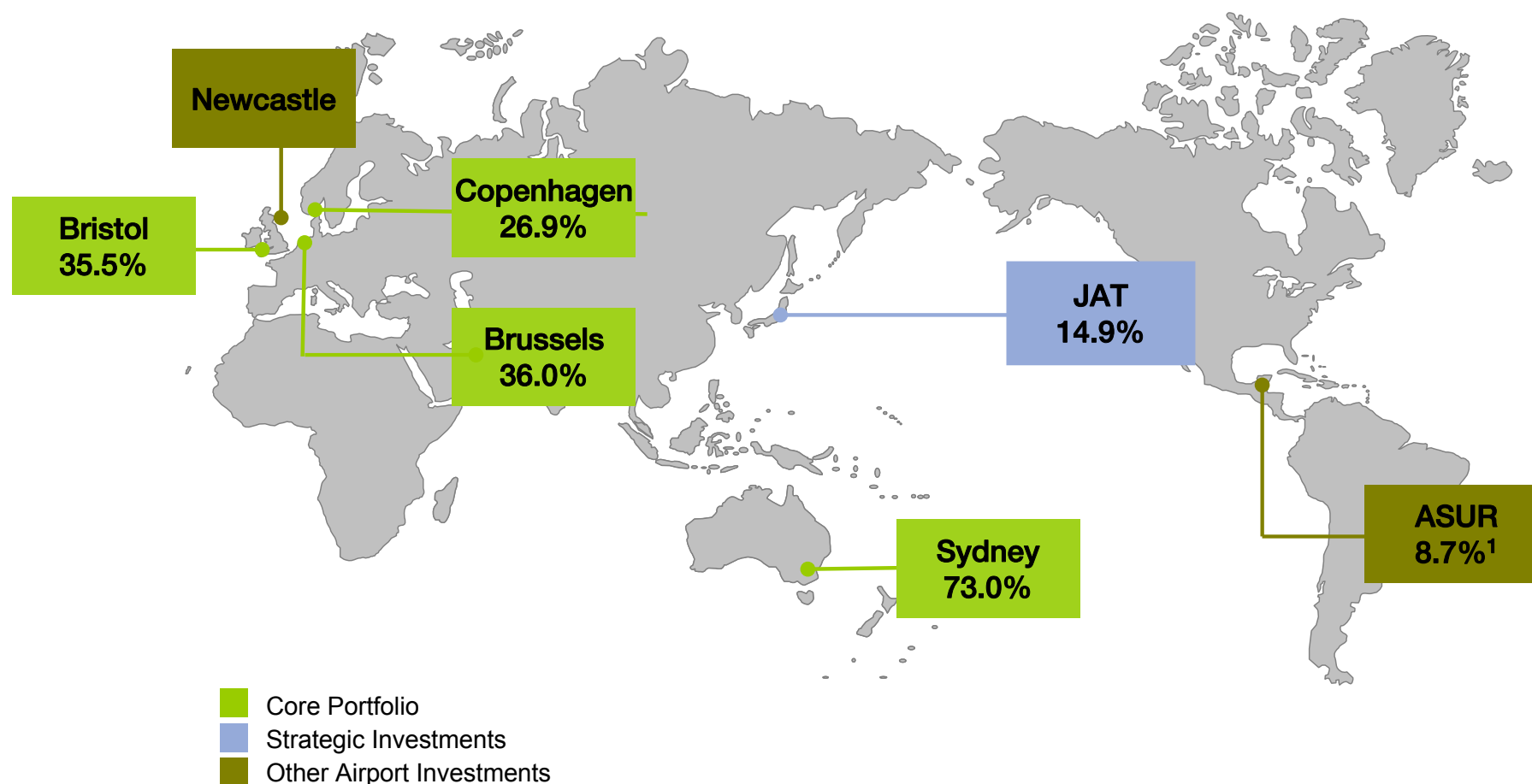
|                            | April 2009 | December 2002 |
|----------------------------|------------|---------------|
| Position in ASX            | ASX 50     | Top 200       |
| Market Capitalisation      | A\$3.3bn   | A\$1.0bn      |
| Number of Security Holders | 35,800     | 15,546        |
| Securities on Issue        | 1.7bn      | 942m          |
| Foreign Ownership          | 33.9%      | 12.8%         |

## *Capital Management Activities Place MAp in Strong Position*

- **Active management in challenging times**
  - Airline marketing continues to attract new routes & services despite airline capacity reductions
  - Innovation & development sustaining solid commercial revenue performance
  - Tight cost control will deliver further benefits
- **Significant capital management action puts MAp in a strong position**
  - Divestments in 2007 and 2008 generated some A\$3.6bn in gross sale proceeds
  - Significant deleveraging accomplished, both at Sydney Airport & MAp fund level
  - No debt maturities across the portfolio until late 2011, average debt maturity ~6yrs
  - Residual corporate cash balance of over A\$500m (excluding sale of JAT)
- **Remain convinced of long term growth prospects for the aviation sector**
  - Long run traffic growth forecast of 4%-5% per annum retained
  - 1Q09 was challenging, impacted by economic conditions & seasonal factors
  - European summer schedules showing a moderation in airline capacity reductions
  - Sydney Airport continues to prove resilient

# Portfolio Composition

## *High Quality, Geographically Diversified Portfolio*



<sup>1</sup> MAP has an additional 8.6% economic interest through a series of swap agreements

## *Changes to Corporate Governance Framework*

### ■ **Appointment of Directors**

- MAp security holders nominate & vote on the appointment of all directors on a rotational basis
- Max Moore-Wilton, Stephen Ward & Sharon Beesley stand for re-election today
- No director may be a Macquarie employee
- Macquarie Group will abstain from voting its securities to appoint directors

### ■ **Related Constitutional/Bye-Law Amendments**

- Nomination criteria enshrined to ensure nominees have a base level of security holder support
- MAL board size limited to 4: MAp has 7 directors – efficient corporate governance, optimal cost
- MAML directors' fees paid by the trusts, capped at A\$700,000 per annum – underlines independence

### ■ **Other Elements of Corporate Governance Framework**

- 5 out of 7 directors independent
- MAL Chairman independent, MAML Chairman elected by the board
- MAp base fee of ~1.1% competitive versus other managed asset classes
- MAp base fee fluctuates with market capitalisation regardless of actual costs incurred



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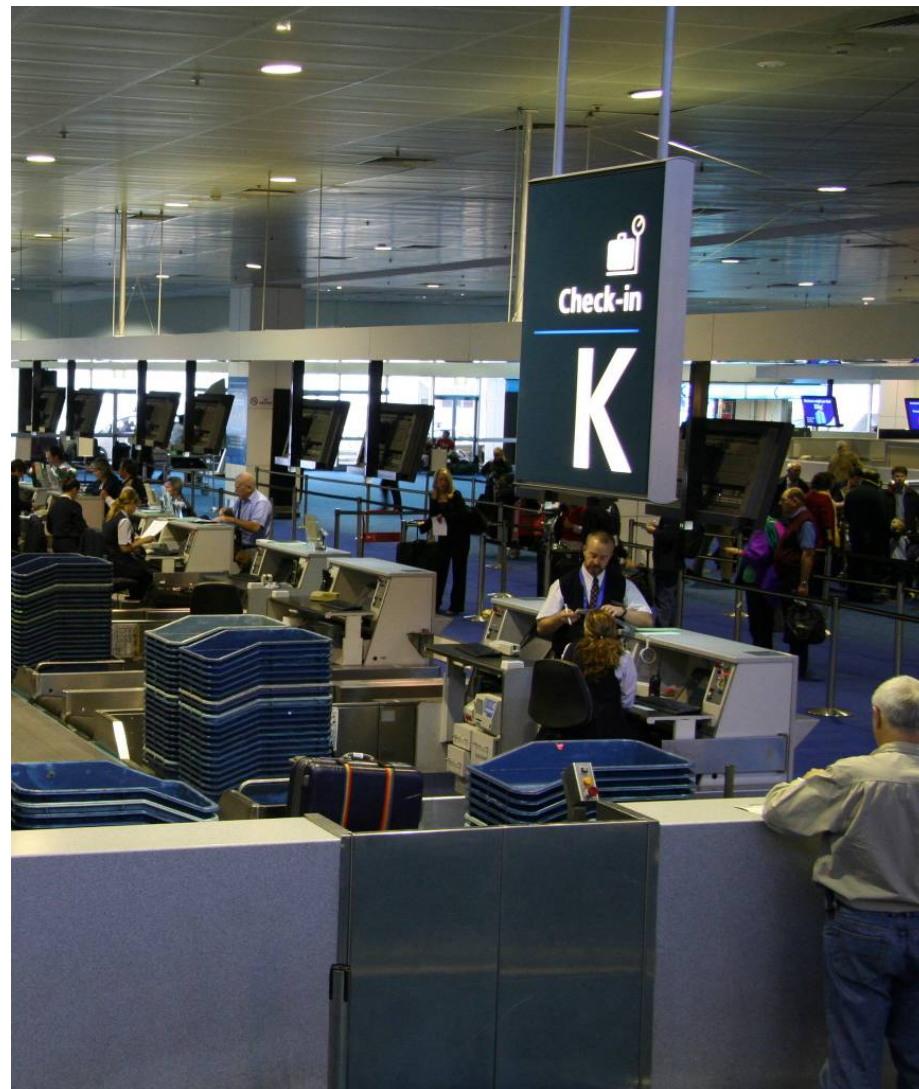


# CEO's REPORT

## Kerrie Mather



- **MAp Financial Results & Security Price Performance**
- **Airport Performance**
- **Mitigating Actions & Outlook**





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The background of the slide is a photograph of an airport construction site. In the foreground, there are large concrete pipes, a white truck, and a yellow excavator. In the middle ground, a large white airplane with a blue tail is parked on the tarmac. In the background, there are airport buildings and a clear blue sky with a few other planes flying. The text "MAp FINANCIAL RESULTS & SECURITY PRICE PERFORMANCE" is overlaid in the center of the image.

# MAp FINANCIAL RESULTS & SECURITY PRICE PERFORMANCE



# MAp Financial Results

## *Proportionate Earnings per Stapled Security Up ~8% in 2008*

|   | Year to<br>December 2008 | Year to<br>December 2007 |
|---|--------------------------|--------------------------|
| <b>Total Investments<sup>1</sup></b>  | <b>A\$8,060.1m</b>       | <b>A\$8,689.6m</b>       |
| <b>Asset Backing Attributable to Investments<br/>per MAp Stapled Security<sup>2</sup></b> | <b>A\$4.70</b>           | <b>A\$5.06</b>           |
| <b>Proportionate Consolidated Airport<br/>Asset EBITDA<sup>3</sup></b>                    | <b>A\$955.8m</b>         | <b>A\$921.1m</b>         |
| <b>Proportionate Earnings per<br/>Stapled Security</b>                                    | <b>21.0c</b>             | <b>19.5c</b>             |

<sup>1</sup> Directors' valuation of MAp's beneficial airport investments.

<sup>2</sup> Directors' valuation of MAp's beneficial airport investments plus corporate net cash (including distribution payable).

<sup>3</sup> Airport asset earnings before interest, tax, depreciation & amortisation based on current period ownership interests & foreign exchange rates, before net specific gains.

# Security Price Performance

## *Modestly Outperformed Airport Peers Over last 12mths*

- Many listed companies trading at significant discounts to value of underlying assets
- Although security price performance disappointing, slightly above peer group
- Top 10 investors hold a 61.1% interest (May 2008 54.8%)

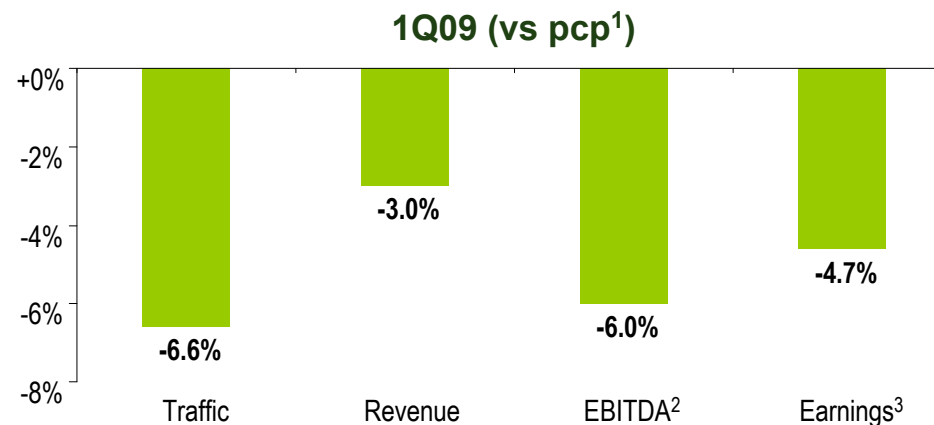
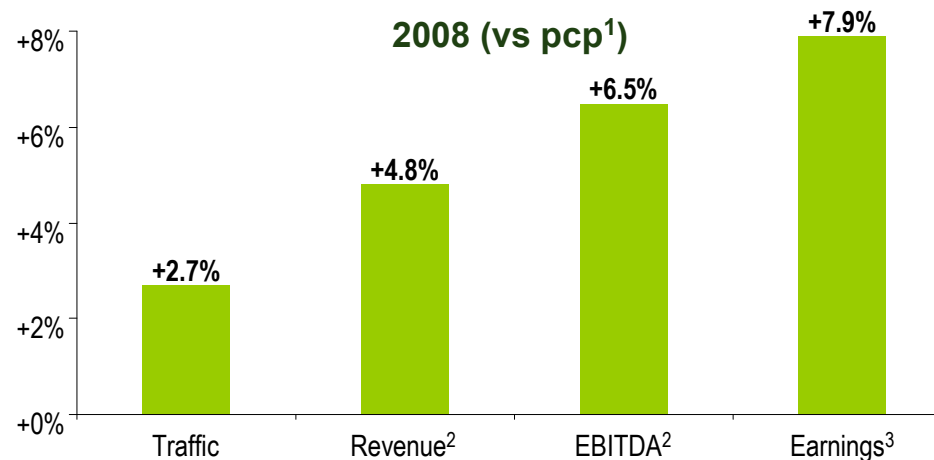


<sup>1</sup> Simple constant currency average of AIX, AIA, AdP, Fraport, Flughafen Wien & Unique Zurich.

# 2008 & 1Q09 Performance

## Active Management in Challenging Times

- **MAp model delivered in 2008 despite challenging environment:**
  - Revenue growth exceeded traffic through commercial initiatives
  - Operational efficiencies added further incremental EBITDA
- **Deteriorating conditions in 1Q09:**
  - However, revenue & EBITDA still outperformed traffic
  - First quarter typically seasonally weakest in Europe due to combination of airlines' winter schedules & weather related costs



<sup>1</sup> pc<sup>1</sup> results are derived by restating prior period results with current period ownership interests and foreign exchange rates.

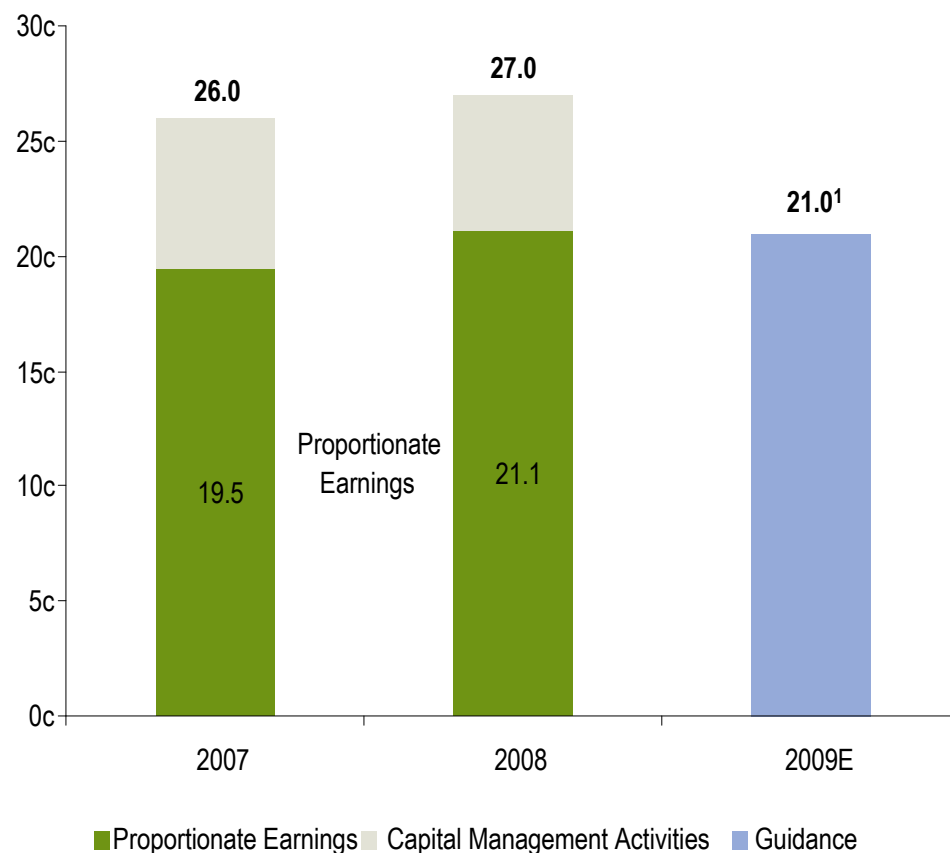
<sup>2</sup> Excluding airport specific gains/(losses).

<sup>3</sup> Excluding concession asset net debt amortisation & non-recurring items.

## *2009 Distribution Guidance – Amended to 21c per Stapled Security*

- **MAp remains confident that its airports will deliver strong long term growth**
- **Committed to the policy of distributing 100% of sustainable earnings**
- **To reflect both the removal of JAT from proportionate earnings & accelerate convergence with sustainable earnings, it is appropriate to amend the guidance previously provided for 2009**
- **MAp now expects to pay a distribution of 21c per stapled security for 2009<sup>1</sup>**

Regular Distributions & Guidance



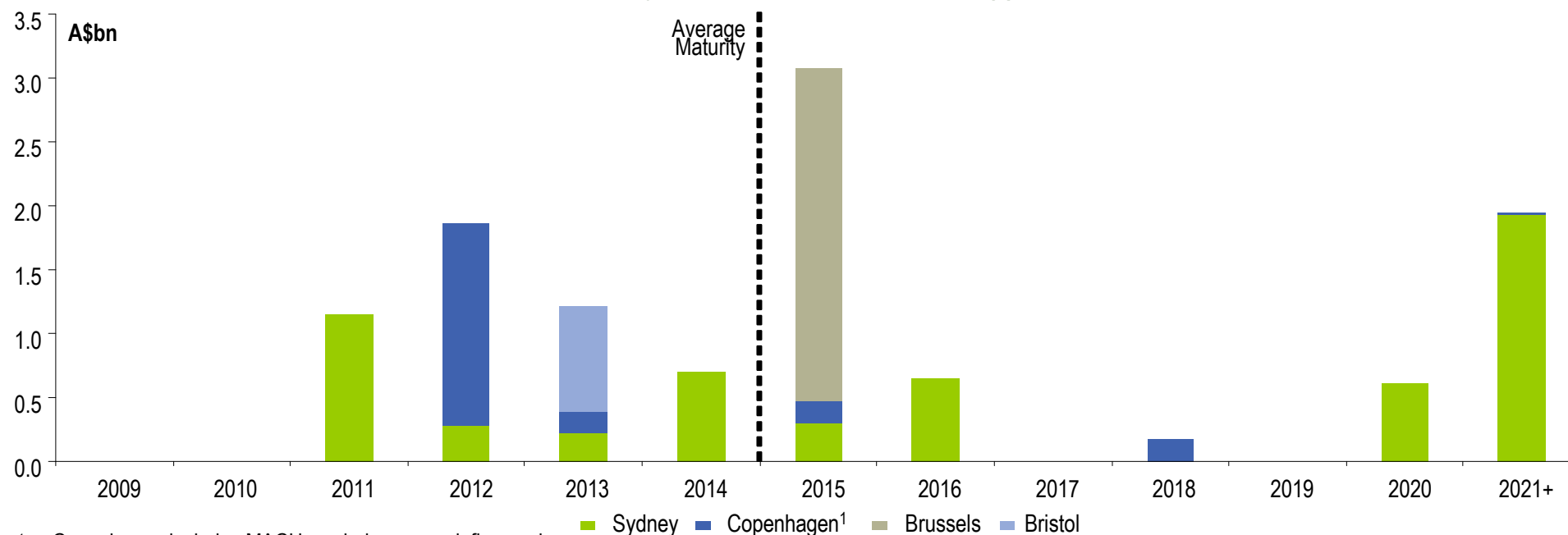
<sup>1</sup> Subject to external shocks to the aviation industry or any material changes in the forecast assumptions.

## *Prudent Capital Management Policies*

- Debt at MAp's airports has an average maturity of ~6yrs
- No corporate level debt (funds set aside to redeem TICKETS at first reset date)
- No material debt maturities until September 2011
- Net debt substantially hedged until 2012

## Maturity Profile of Debt at the Core Assets

(Based On 100% Ownership)



<sup>1</sup> Copenhagen includes MACH, excludes car park finance lease.



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# AIRPORT PERFORMANCE



# Core Airport Performance

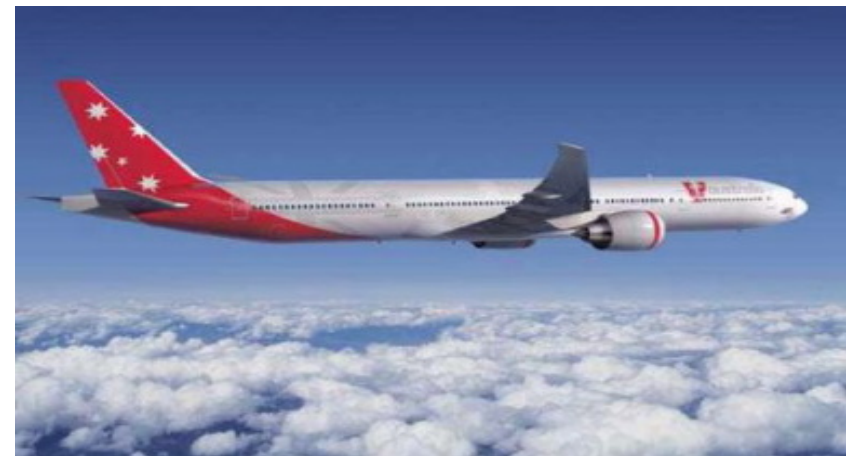
## *European Conditions in 1Q09 Particularly Challenging*

| vs pcg     | % of MAp portfolio | 2008    |         |                     | 1Q09    |         |                     |
|------------|--------------------|---------|---------|---------------------|---------|---------|---------------------|
|            |                    | Traffic | Revenue | EBITDA <sup>1</sup> | Traffic | Revenue | EBITDA <sup>1</sup> |
| Sydney     | 57%                | +3.1%   | +6.1%   | +7.4%               | -4.4%   | +1.9%   | +2.2%               |
| Copenhagen | 16%                | +0.6%   | +6.5%   | +3.5%               | -16.2%  | -6.9%   | -22.1%              |
| Brussels   | 17%                | +3.6%   | +5.4%   | +9.5%               | -16.5%  | -10.2%  | -24.2%              |
| Bristol    | 5%                 | +5.7%   | +3.5%   | +2.9%               | -21.5%  | -16.1%  | -29.8%              |

<sup>1</sup> Before specific items

## *Airlines Continue to be Attracted to Australia's Premier International Gateway*

- **April international traffic growth of 3.7%**
  - Benefited from Easter but nonetheless a healthy result
- **Passenger choice increasing**
  - Despite modest capacity cuts, still anticipate net international seat growth in 2009
  - 3 x A380 carriers serving 5 destinations (Singapore, Los Angeles, London, Dubai & Auckland)
  - V Australia launched, Delta also commencing trans-Pacific services
  - Air Austral to Paris via Reunion operating, Qatar Airways to Doha to commence
  - Tiger Airways to fly to Melbourne & Adelaide from July



## *Resilient Commercial Performance*

- Commercial revenues rose 9.7% in 2008 & 3.2% in 1Q09
- Commercial initiatives delivered – international multi-storey car park, McDonalds, new landside duty free store
- Spend per passenger up 4% in 1Q09
- Property revenues performing well – major freight & logistics tenant secured in 1Q09



# Sydney: T1 Redevelopment

## *A\$500m Improving Passenger Experience*

### ■ **T1 Redevelopment update**

- On track & due to be completed in early 2010 with progressive openings from 4Q09
- 2000sqm of new retail space
- A total of 120 stores for departing passengers to enjoy
- Tenants already committed to 80% of available space

### ■ **A complete passenger experience**

- Improved passenger facilitation – faster, easier
- Food & Beverage – expanded choice & comfort: Dank St Depot, airside McDonalds, wine bar, landside food court
- Wide range of shopping opportunities – Lonely Planet, Burberry, Discover, Australian Made, Emporio Armani, Coach, Rodd & Gunn, Orotan etc



## *Retail Gateway to Australia – A Place Like No Other*

### ■ Excellent proposition for retailers

- Market share: Highest market share of international & domestic travellers in Australia
- Dwell time: Passengers spend an average of 104mins airside
- Quality: High proportion of decision makers, vibrant leisure market
- Diversity: Range of nationalities, ages & cultures

### ■ Differentiated offering

- Australiana: Exclusive Australian products to deliver a uniquely Australian experience
- Exclusivity: Create a point of difference vs high street retail with exclusive opportunities such as product launches not available anywhere else



## *Challenging First Quarter but Significant Management Action Underway*

- EBITDA growth of 3.5% for 2008 despite flat traffic & continued rising security costs
- 1Q09 severely impacted by seasonal factors & Sterling bankruptcy but capacity more than fully replaced by April 2009
- 1yr interim charging agreement +4.2% across all aeronautical charges
- Passenger retail experience enhancements have ensured commercial revenue hold up well +1.2% in 1Q09
- Efficiency improvements underway – staff numbers reduced at the beginning of 2Q09



## *Strong Commercial Performance Continues*

- Underlying EBITDA growth of 8.0% in 2008 but 1Q09 impacted by reduced short haul capacity & abnormally high weather-related costs
- Lower aeronautical yield due to significant mix change – transfer/transit & incentivised passengers growing
- Excellent commercial performance – reconfigured retail space enhancing revenues, advertising & car parking continue to perform
- Phase 1 of BRUcargo-West now operating – 100% let
- Cost control at Brussels remains excellent



## *UK Economic Conditions Poor*

- EBITDA growth of 2.9% in 2008, 1Q09 impacted by XL failure, reduced easyJet capacity & increased costs (due to higher utilities charges & expanded security checkpoint)
- Severe winter weather effectively closed the airport for several days in 1Q09
- Ryanair doubling base, easyJet adding an aircraft for summer peak, new charter operations from KISS & Teleticket
- Planning approval received for covered walkway to increase contact stands by 8 to 13.
- Headcount reduced by 5% in November 2008





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# MITIGATING ACTIONS & OUTLOOK



# Aeronautical/Regulated Revenues

## *Timing of Recovery Uncertain but Long Term Outlook Intact*

### ■ 1H09 traffic outlook challenging

- European traffic expected to decline
- Sterling & XL – capacity being replaced over time
- Capacity reductions tend to be heaviest in Northern Winter so some relief as year progresses
- Terminal facilities for operationally efficient airlines being developed at Copenhagen & Brussels



### ■ Regulatory resets take account of traffic underperformance

- Copenhagen +4.2% from 1 April 2009
- Brussels +5.1% from 1 April 2009
- Sydney – aeronautical revenue growth reflects T1 & RESA investment



## *Significant Levers Available to Offset Any Revenue Weakness*

### ■ Efficiency improvements

- Sydney & Bristol: Restructuring undertaken in 2008
- Brussels: Strategic cost review over last few mths of systems, maintenance & operations
- Copenhagen: Strategic cost review underway at Copenhagen

### ■ Capex reviewed in light of conditions

- Continued investment at an appropriate level
- Capacity projects adjusted to suit traffic environment
- Strategic growth initiatives accelerated: Terminal facilities for operationally efficient airlines at Copenhagen & Brussels, Bristol covered walkway, other commercial projects which generally have a short payback period



## *Long Term Growth Intact, Challenging 2009*

- **Timing of recovery uncertain**
  - No expectations for a significant recovery in 2009
- **Active implementation of mitigation strategies**
  - Regulatory resets will incorporate updated traffic performance
  - Commercial businesses underpinned by guarantees & new initiatives
  - Adjusting investment plans & cost bases appropriately
- **Focus on new initiatives which will drive growth**
  - T1 redevelopment at Sydney, low cost infrastructure
  - Rapid payback (eg retail)
- **Maintain appropriate capital structures**
  - Proactive debt management to strengthen airport balance sheets



## *Resilient Operating Model; Continued Focus on Security Holder Value*

- EBITDA outperforming traffic at a portfolio level, active management vital
- 2009 distribution guidance amended to 21c per stapled security<sup>1</sup>
- Continued delivery from major commercial initiatives
- Substantial cash reserves, no material near term debt maturities
- Boards & management continue to investigate pathways to close the gap between security price & underlying value of MMap's airport businesses



<sup>1</sup> Subject to external shocks to the aviation industry or any material changes in the forecast assumptions.



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# FORMAL PROCEEDINGS

## Max Moore-Wilton



# Summary of Resolutions

- **Re-appoint PricewaterhouseCoopers as MAL's auditor (MAL Resolution 1)**
- **Re-elect Stephen Ward as a director of MAL (MAL Resolution 2)**
- **Re-elect Sharon Beesley as a director of MAL (MAL Resolution 3)**
- **Amend Bye-Laws (MAL Resolution 4)**
- **Re-elect Max Moore-Wilton (MAT1 & MAT2 Resolution 1)**
- **Amend MAT1/MAT2 constitutions (MAT1 & MAT2 Resolution 2)**



# Proxies Received

| Resolution         | Valid Proxies Received |
|--------------------|------------------------|
| MAL Resolution 1   | 1,116,306,864          |
| MAL Resolution 2   | 737,744,951            |
| MAL Resolution 3   | 737,741,784            |
| MAL Resolution 4   | 1,116,306,864          |
| MAT 1 Resolution 1 | 737,741,247            |
| MAT 2 Resolution 1 | 737,702,304            |
| MAT 1 Resolution 2 | 737,678,408            |
| MAT 2 Resolution 2 | 737,673,955            |

Total number of securities on issue is 1,706,125,295

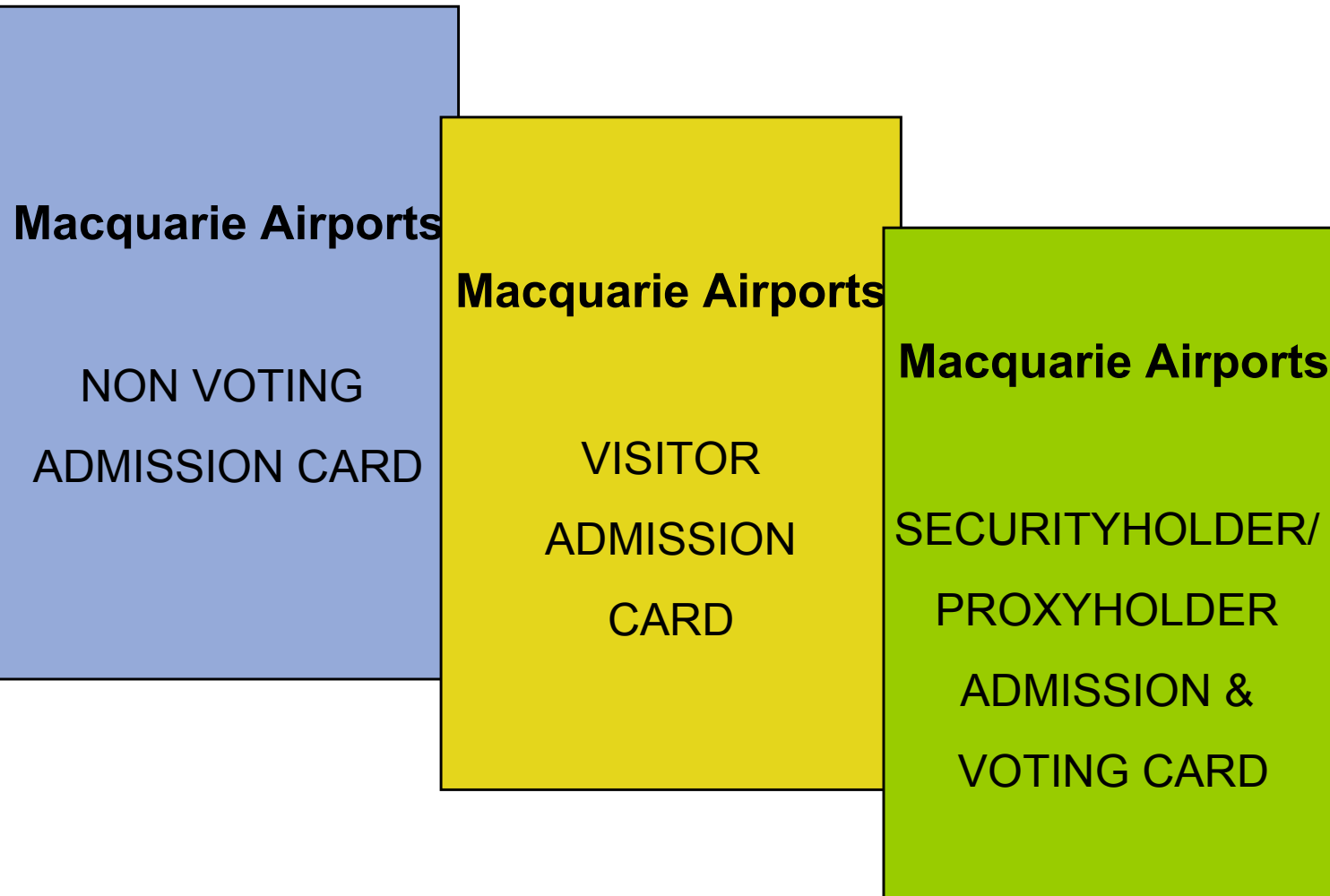
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# Voting Cards







# Proxy Results<sup>1</sup>

|                    | For | Against | Undirected | Abstain |
|--------------------|-----|---------|------------|---------|
| MAL Resolution 1   | XX  | XX      | XX         | XX      |
| MAL Resolution 2   | XX  | XX      | XX         | XX      |
| MAL Resolution 3   | XX  | XX      | XX         | XX      |
| MAL Resolution 4   | XX  | XX      | XX         | XX      |
| MAT 1 Resolution 1 | XX  | XX      | XX         | XX      |
| MAT 2 Resolution 1 | XX  | XX      | XX         | XX      |
| MAT 1 Resolution 2 | XX  | XX      | XX         | XX      |
| MAT 2 Resolution 2 | XX  | XX      | XX         | XX      |

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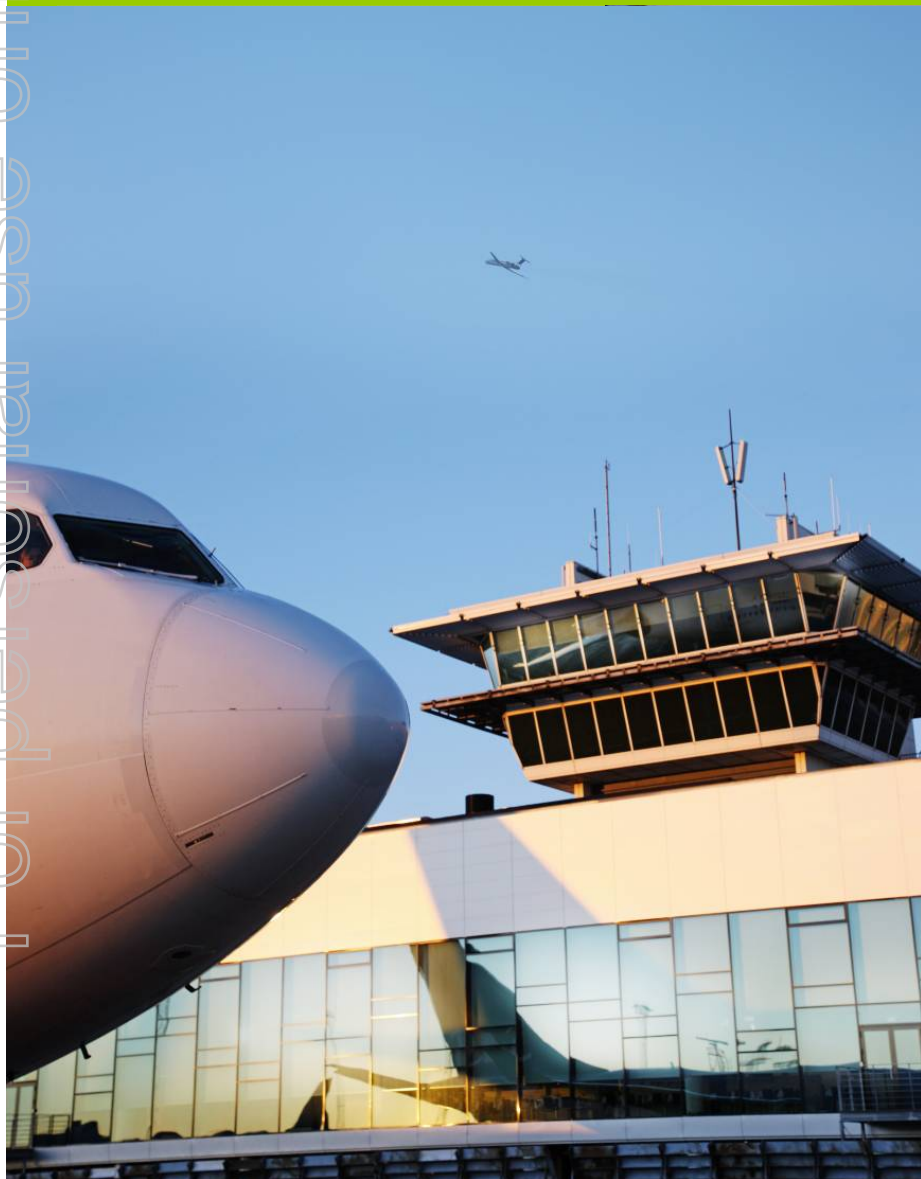
<sup>1</sup> Voting restrictions apply as set out in the Notices of Meeting and affected votes are excluded.



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# Voting

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# Destruction of Proxy Forms/Voting Papers



# MACQUARIE AIRPORTS

## ANNUAL GENERAL MEETING - 21 MAY 2009

