

24 May 2019

## Update on SAT1 indemnity in relation to historical investments

Recent decisions of the Court of Justice of the European Union (the ECJ decisions) after finalisation and release of Sydney Airport's 31 December 2018 Financial Report have prompted reconsideration of the status of indemnities provided by Sydney Airport Trust 1 (SAT1) in relation to the 2011 sale of Copenhagen Airport. Work, including obtaining Danish legal advice, is continuing on this reconsideration and the final position is not known at this time.

The ECJ decisions were not in relation to the two tax disputes covered by the SAT1 indemnities. SAT1 has, however, assessed that:

- some or all of the \$119.1 million non-current receivable in the 31 December 2018 Financial Report relating to the indemnity previously paid may need to be expensed; and
- a future call on its indemnities is possible, up to a maximum of \$61 million as at 30 June 2019.

Sydney Airport is considering how this may need to be reflected in the 30 June 2019 Interim Financial Report. Sydney Airport confirms that the indemnities, even if expensed and/or fully called:

- will have no material impact on Sydney Airport's Net Operating Receipts in 2019 or later years; and
- will not impact Sydney Airport's distribution guidance of 39c per stapled security for 2019.

The matters in dispute have not yet been finally considered by the Danish courts and a determination may be several years away.

### CONTACT FOR FURTHER INFORMATION

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