

# MAp 2009 INTERIM RESULTS PRESENTATION



21 August 2009

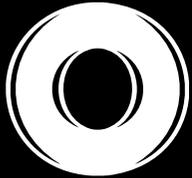


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# Agenda



**1. Introduction**

**2. 1H09 Performance**

**3. Financial Results**

**4. Airport Results**

**5. Growth Initiatives**

**6. Outlook**



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# INTRODUCTION

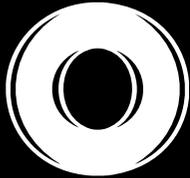
Kerrie Mather, Chief Executive Officer



## *A Half of Two Quarters*

- **Significant moderation in European airport performance in 2Q09**
  - Proportionate EBITDA down 4.2% vs traffic down 7.2% for the half year
  - Sydney (61% of the portfolio) proving highly resilient – 1H09 EBITDA up 2.0%
  - European traffic & EBITDA declines moderated substantially in 2Q09
  - Financial position remains very strong with almost A\$800m in cash on hand
- **Full year outlook**
  - Airline capacity returning, particularly in Europe
  - Costs continue to be well-controlled, capex programs have been right-sized
  - Long term growth prospects for the aviation sector remain strong





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# Security Price Performance

## Significantly Outperformed Peers Over Last 12mths

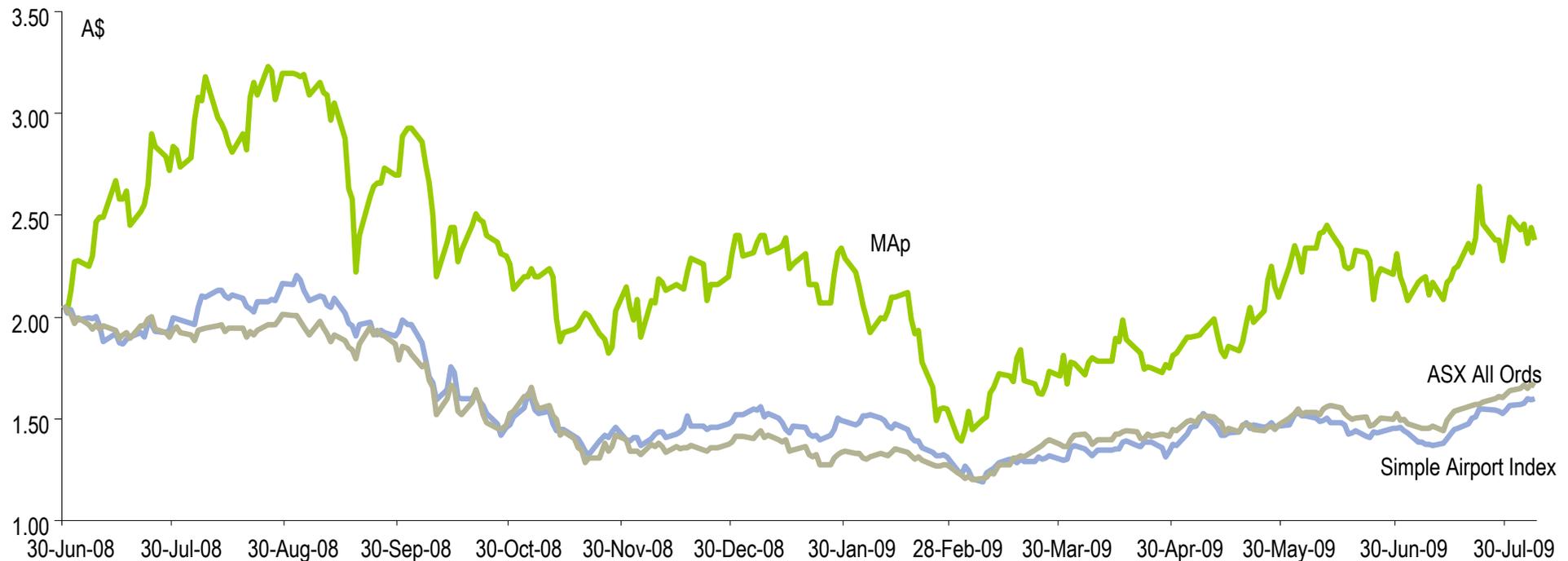
- Although disappointing in absolute terms, MAp has outperformed peers
- Significant actions taken by boards & management to deliver security holder value
- Continue to assess options for narrowing gap between security price & NAB

**Market Capitalisation:**  
A\$4.1bn

**NAB<sup>1</sup>:**  
A\$4.30

**Foreign Ownership:**  
42.3% (ex TICKETS)

**Number of Security Holders:**  
~36,000



<sup>1</sup> Net Asset Backing Attributable to Investments per Stapled Security

<sup>2</sup> Simple constant currency average of AIX, AIA, AdP, Fraport, Flughafen Wien & Unique Zurich



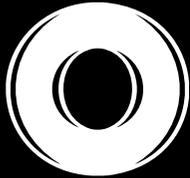
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# 1 H09 PERFORMANCE

Kerrie Mather, Chief Executive Officer





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# 1H09 Performance

## Model Continues to Deliver EBITDA Outperformance

### EBITDA has outperformed traffic:

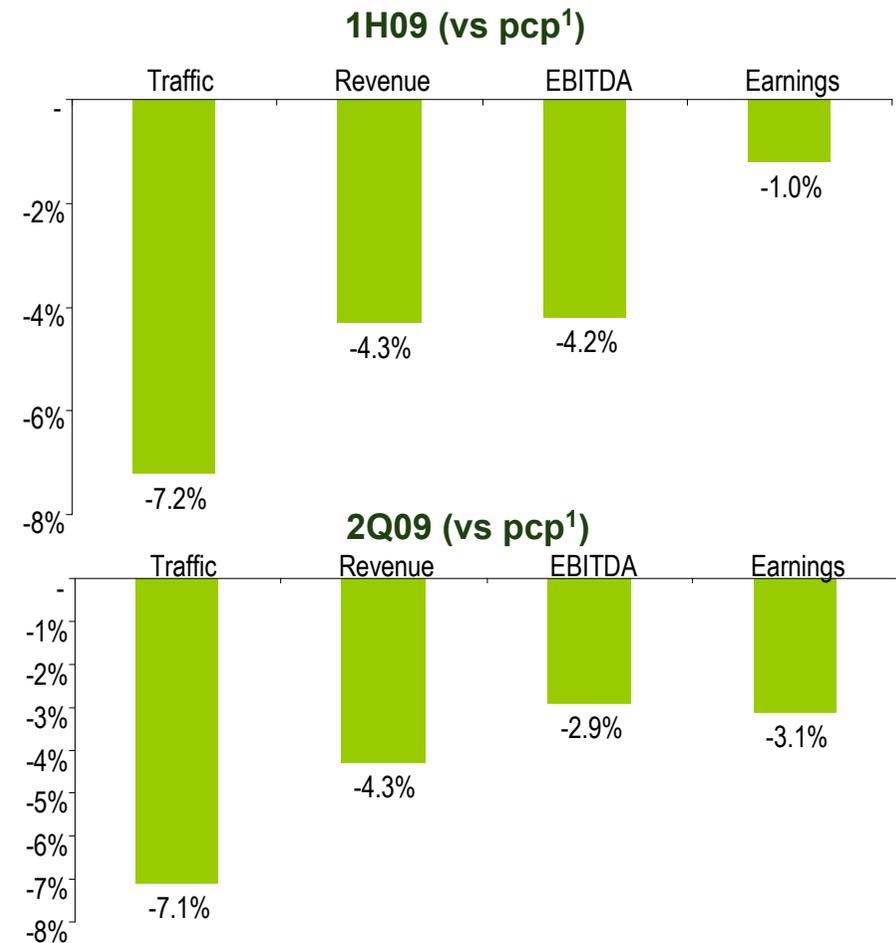
- Despite tough 1Q09 in Europe, revenue, EBITDA & earnings outperformed traffic for 1H09
- H1N1 had significant impact on ASUR traffic in 2Q09

### Improved performance in 2Q09:

- Aided by agreed increases in aeronautical charges at Brussels & Copenhagen, solid retail performances & ongoing cost control

### EBITDA margin

- EBITDA margin steady at 58.1% (60.8% in 2Q09)



<sup>1</sup> pcpl 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)

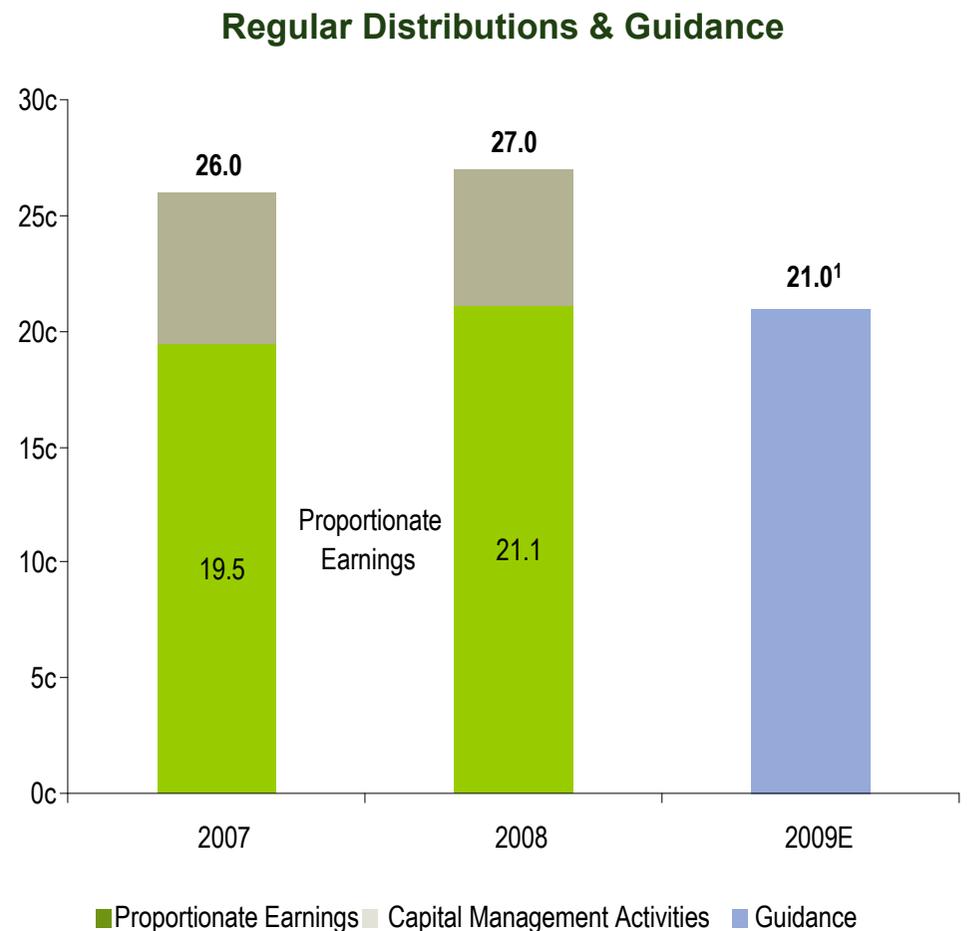
<sup>3</sup> Excluding concession asset net debt amortisation & non-recurring items



# MMap Regular Distributions

## 2009 Distribution Guidance Reaffirmed at 21c per Stapled Security

- 1H09 proportionate EPS of 10.2c provides 49% of full year distribution guidance
- Remain on target to deliver 100% coverage of regular distribution from proportionate earnings for FY09



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



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# FINANCIAL RESULTS

Keith Irving, Chief Financial Officer





# Statutory Income Statement

## Consolidated Income Statements

6mths to 30 Jun (A\$m)	1H09	1H08
Revenue from Continuing Activities	456	1141
Revaluation of Investments	17	30
Other income	69	10
<b>Total Revenue</b>	<b>542</b>	<b>1181</b>
Finance Costs	(271)	(404)
Administration Expenses	(62)	(153)
Revaluation of Investments	(363)	(118)
Other Operating Expenses	(221)	(874)
<b>Operating Expenses</b>	<b>(917)</b>	<b>(1548)</b>
<b>(Loss)/Profit Before Tax</b>	<b>(375)</b>	<b>(368)</b>
Income Tax (Expense)/Benefit	44	-
<b>(Loss)/Profit After Tax</b>	<b>(331)</b>	<b>(368)</b>
Minority Interest	31	93
<b>Net (Loss)/Profit Attributable to MAp Security Holders</b>	<b>(299)</b>	<b>(274)</b>



# Proportionate Earnings Statement

## Proportionate EPS Held Flat

6mths to 30 Jun (A\$m)	1H09	vs Proforma <sup>1</sup> 1H08	Proforma <sup>1</sup> 1H08	Actual 1H08
Passenger Traffic (m)	23.4	-7.2%	25.3	28.8
Airport Assets Revenue	682	-4.3%	713	782
Airport Assets Expenses	(286)	-4.5%	(299)	(315)
<b>Airport Assets EBITDA (before Copenhagen Specific Items)</b>	<b>397</b>	<b>-4.2%</b>	<b>414</b>	<b>467</b>
Airport specific gains/(losses)	(4)	-	(1)	(2)
<b>Total Airport Assets EBITDA</b>	<b>393</b>	<b>-4.8%</b>	<b>413</b>	<b>465</b>
Airport Assets Economic Depreciation	(19)			(25)
Airport Assets Net Interest Expense	(184)			(211)
Corporate Net Interest Income <sup>2</sup>	20			42
Hybrid Capital Interest Expense <sup>2</sup>	-			(29)
Net Tax Expense	(20)			(36)
<b>Proportionate Earnings (pre Corporate Expenses)</b>	<b>190</b>			<b>205</b>
Corporate Operating Expenses	(17)			(29)
<b>Proportionate Earnings<sup>3</sup></b>	<b>174</b>			<b>176</b>
<b>Proportionate EPS c<sup>3</sup></b>	<b>10.2</b>			<b>10.2</b>
Concession Asset Net Debt Amortisation	(1)			-
Non-recurring Termination Fee	-			(76)

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

<sup>2</sup> Hybrid capital interest expense & associated TDT interest income are excluded from the date of the TICKETS defeasance.

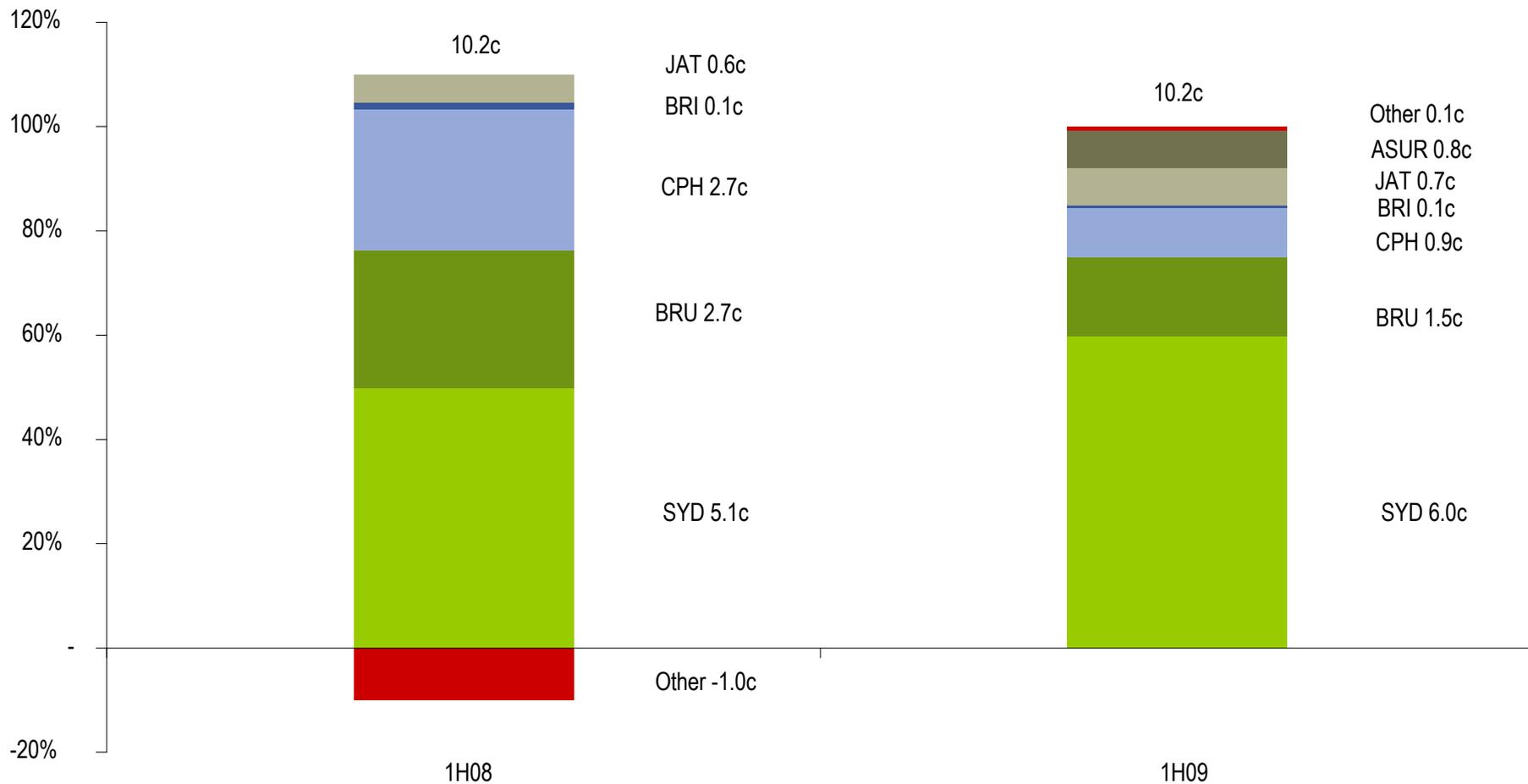
<sup>3</sup> Excludes net debt amortisation & non-recurring item.



# Proportionate Earnings Composition

## JAT & ASUR Each Contribute ~0.7c to Proportionate EPS

Proportionate Earnings - Composition by asset





# MAp Investment Valuations

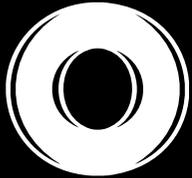
## *Asset Backing per Security at A\$4.30 as at June 2009*

- Discount rates unchanged – falls in risk free rates absorbed by increases in risk premia
- Minor operational & financial assumptions changes since 31 Dec 08 valuations
- Negative impact predominantly from macroeconomic factors

### Valuations as at 30 June 2009

A\$m	Macquarie Funds Interest	MAp Economic Interest	Valuation	30-Jun-2009 Discount Rate	31-Dec-2008 Discount Rate
Sydney Airport	80.5%	74.0%	4,069	15.1%	15.1%
Copenhagen Airports	53.7%	26.9%	954	13.4%	13.4%
Brussels Airport	75.0%	36.0%	997	12.2%	12.2%
Bristol Airport	100.0%	35.5%	298	14.3%	14.3%
Japan Airport Terminal	19.9%	14.9%	193	Market Price	
ASUR	16.0%	16.0%	232	Market Price	
<b>Total Airport Assets</b>			6,743		
Corporate Cash/(Net Debt)			590		
<b>Airport Assets' Equity Value Attributable to MAp Security Holders<sup>1</sup></b>			7,333		
<b>Asset Backing Attributable to Investments per Stapled Security (A\$)</b>			4.30		

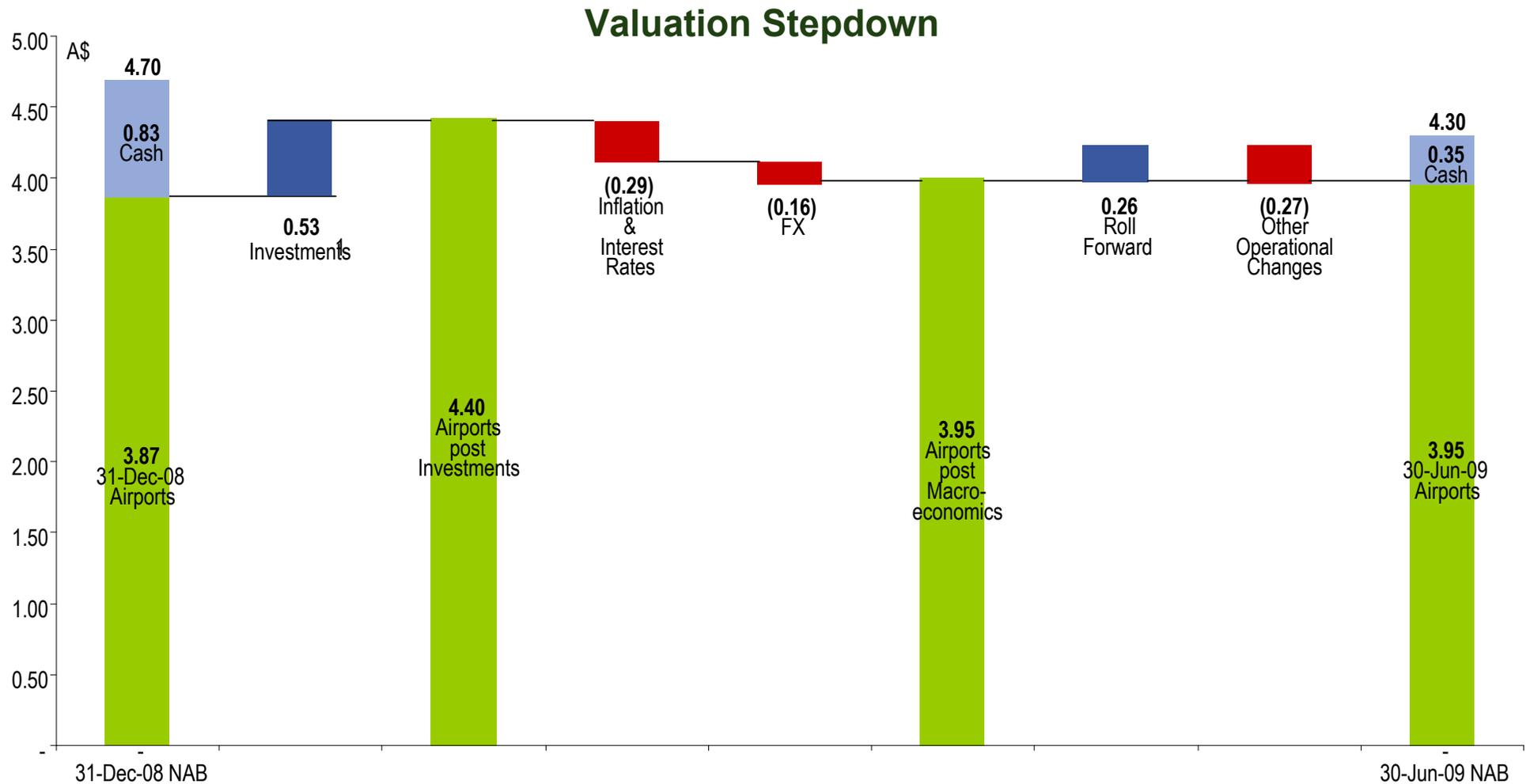
<sup>1</sup> Total airport investment value plus MAp corporate cash (less distributions payable).



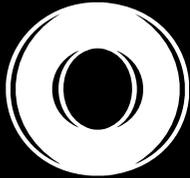
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# Valuation Stepdown

## Proforma Airport Valuations Decreased by 10%



<sup>1</sup> Sydney deleveraging

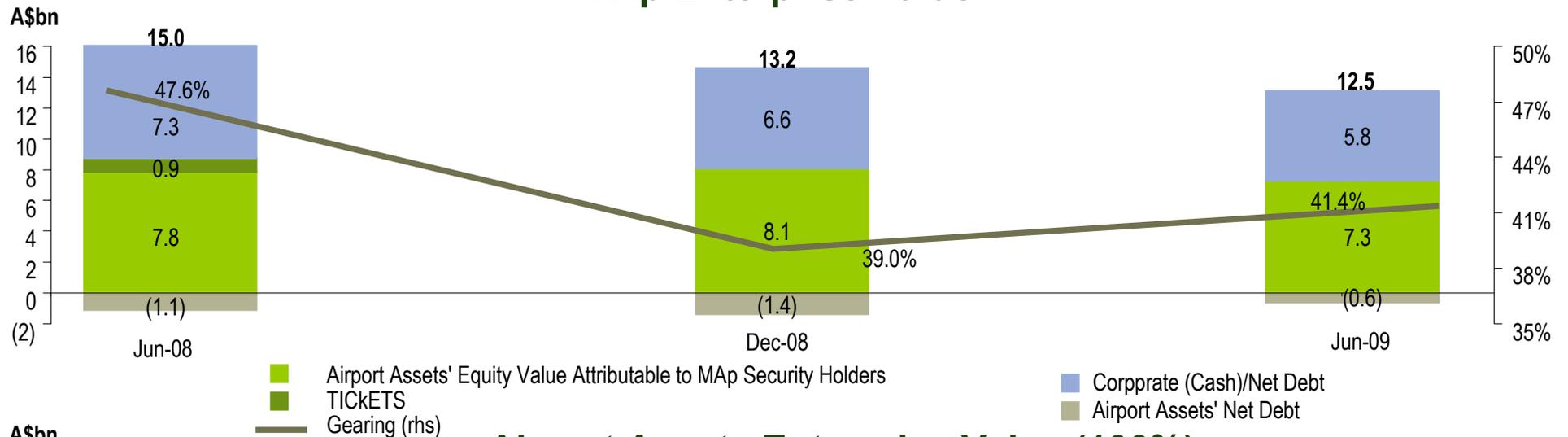


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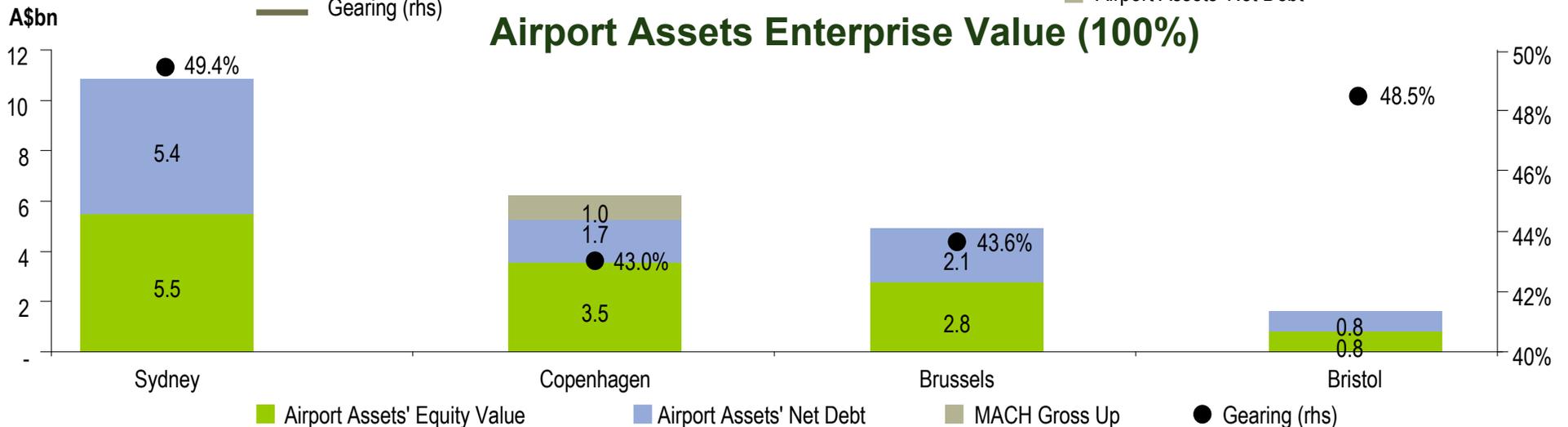
# Enterprise Value

## Enterprise Value on a Proportionately Consolidated Basis of A\$13.0bn

### MAp Enterprise Value



### Airport Assets Enterprise Value (100%)



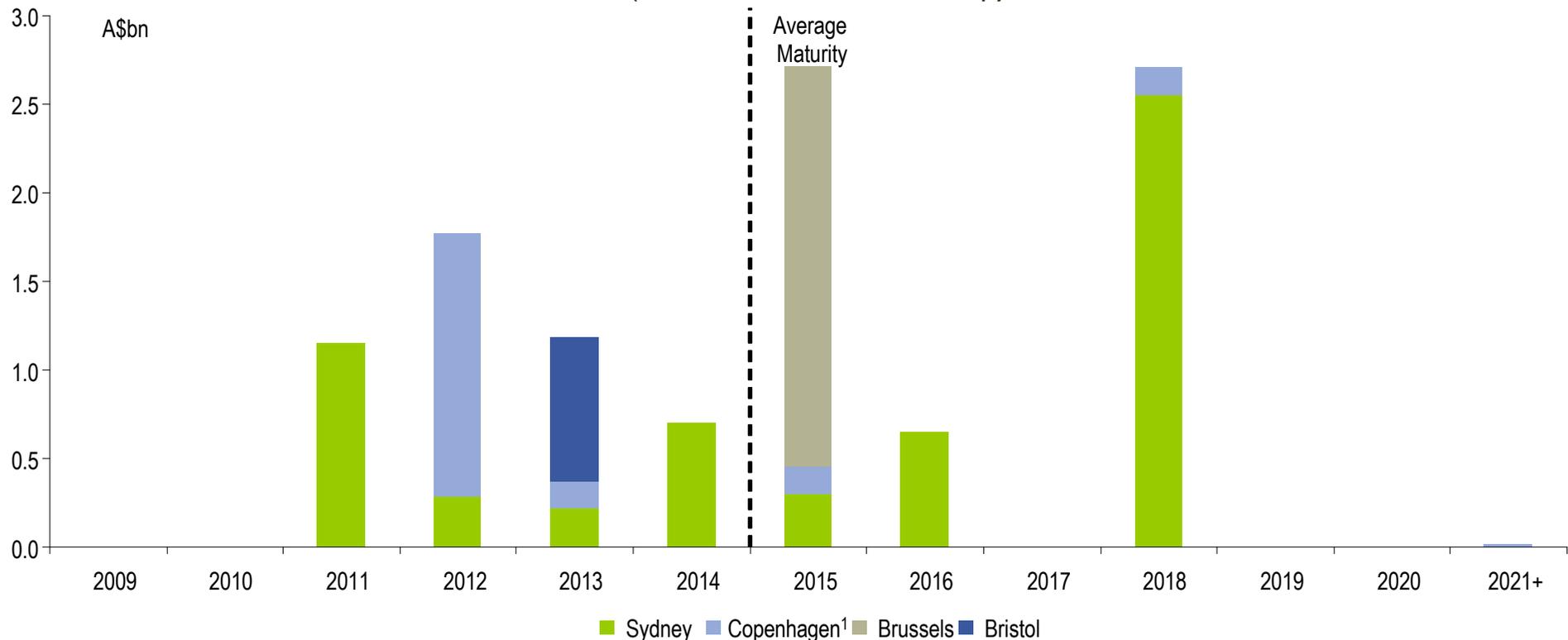


# Debt Maturity Profile

## No Debt Maturities for Over 2yrs

- Deleveraging at Sydney & refinancing at Copenhagen means no maturities until 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.



# Key Airport Debt Metrics

## *All MAp's Airports Remain Comfortably Within Their Debt Covenants*

MAp	Credit Rating	DSCR <sup>1</sup>	DSCR Default Covenant	Next Maturity	1H09 Interest Rate	Undrawn Facilities <sup>2</sup>	Other Information
MAp Fund Level	BBB-	n.a.	n.a.	n.a.	n.a.	n.a.	TICKETS is now cash backed by a ring-fenced trust
Sydney <sup>3</sup>	BBB	1.9x <sup>3</sup>	1.1x <sup>3</sup>	Sep-11	6.0% <sup>3</sup>	A\$572m	
Copenhagen <sup>4</sup>	BBB	2.4x	1.1x	Mar-12	5.3%	DKK1,321m	Excludes car park management contract
Brussels	BB+	2.3x	1.1x	Jun-15	4.9%	EUR307m	
Bristol	n.a.	1.6x	1.1x	Mar-13	5.0%	GBP76m	
<b>MAp Proportionately Consolidated</b>		<b>2.3x</b>	<b>n.a.</b>				

<sup>1</sup> Per last compliance certificate.

<sup>2</sup> Includes undrawn capex facilities, as at 30 June 2009.

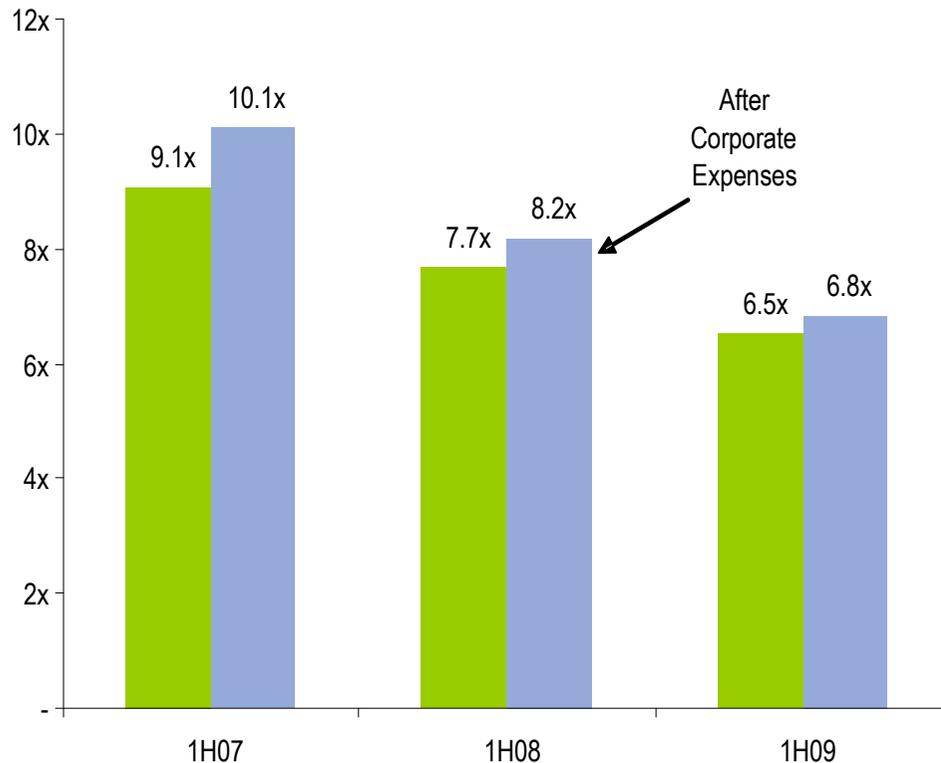
<sup>3</sup> Senior debt only, excludes SKIES.

<sup>4</sup> Copenhagen and MACH combined

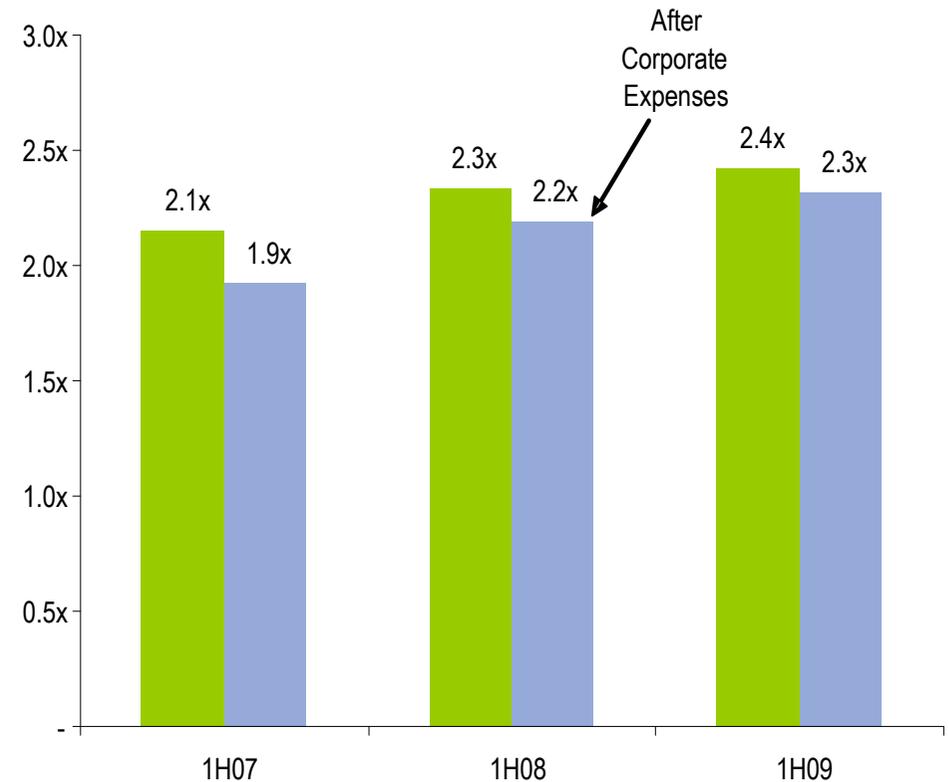
## Comfortable Proportionate Debt Ratios

- Net debt/EBITDA 6.8x (after corporate expenses)
- Proportionate EBITDA/interest 2.3x (after corporate expenses)

### Net Debt/EBITDA<sup>1,2</sup>



### EBITDA<sup>1</sup>/Interest



<sup>1</sup> Excluding airport specific gains/(losses).

<sup>2</sup> EBITDA for 6mths to 30-Jun annualised.



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# AIRPORT RESULTS

Kerrie Mather, Chief Executive Officer

# 4

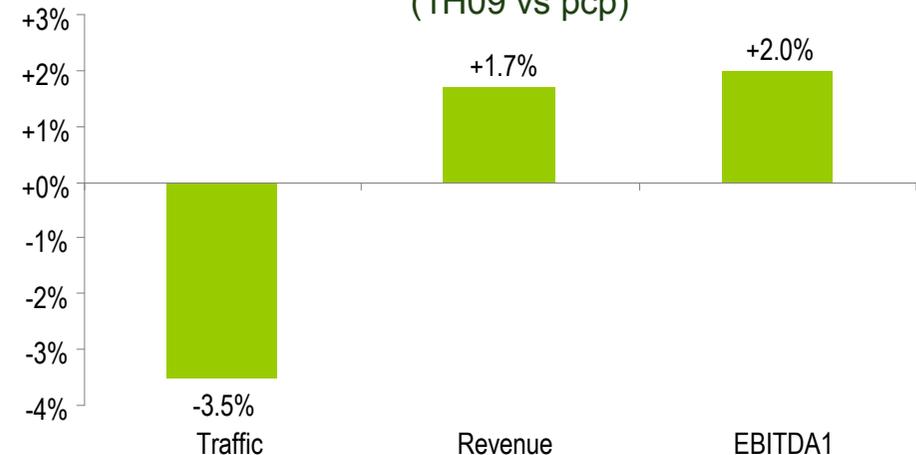


## Solid Performance Throughout the Half

- EBITDA growth of 2.0% in 1H09
- Resilient performance throughout the period
- New business wins continue – Air Austral & V Australia in 1H09, Delta & Tiger operations commenced in July, Tiger expands in October
- Commercial performance remains solid – spend per passenger slightly up
- Property revenues performing well – major freight & logistics tenant secured in 1Q09
- Costs well managed post late 2008 corporate restructuring

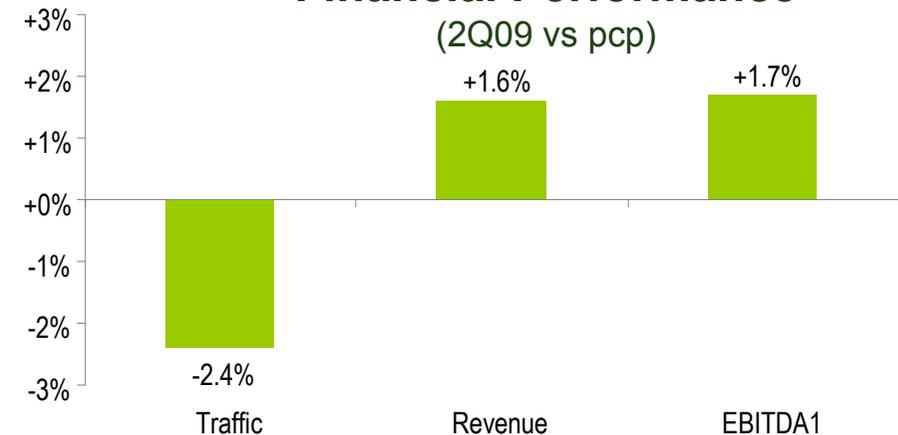
### Financial Performance

(1H09 vs pcp)

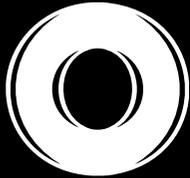


### Financial Performance

(2Q09 vs pcp)



<sup>1</sup> Before specific items



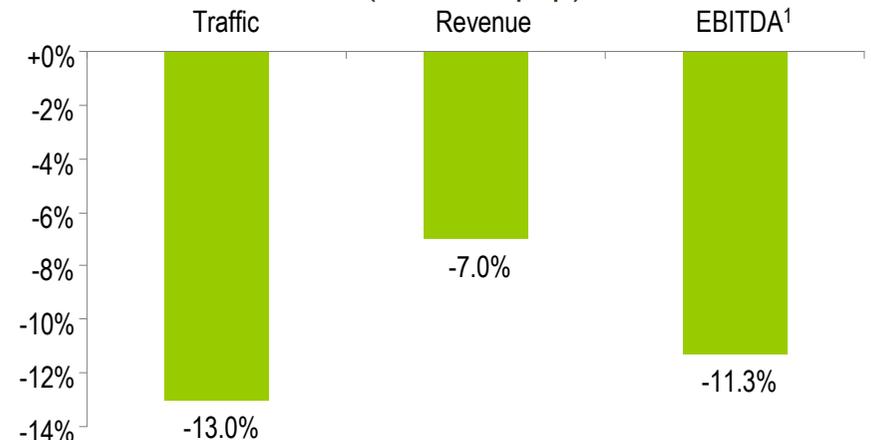
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## Additional LCC Capacity, Solid Retail Performance

- EBITDA fell by 11.3% in 1H09 but moderated significantly in 2Q09
- 4.2% increase in aeronautical charges under interim agreement
- Lost Sterling capacity now completely replaced
- Retail revenues up 3.6% on pcp benefiting from retail initiatives delivered in 2H08
- Costs being brought under control – down 2% on an underlying basis in 2Q09 post restructuring program

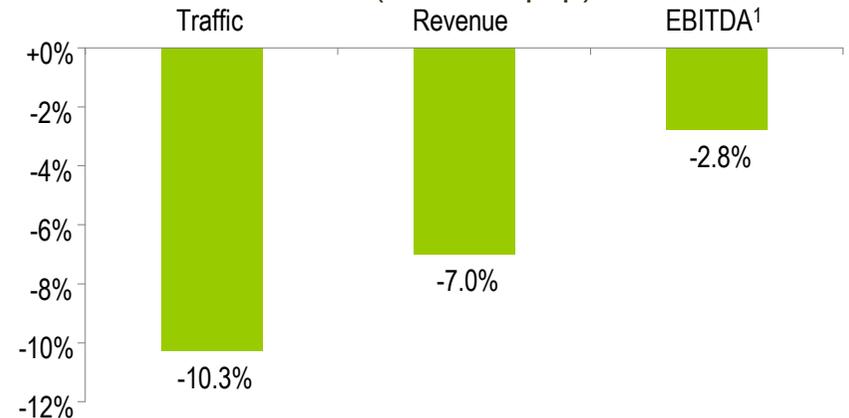
### Financial Performance

(1H09 vs pcp)



### Financial Performance

(2Q09 vs pcp)



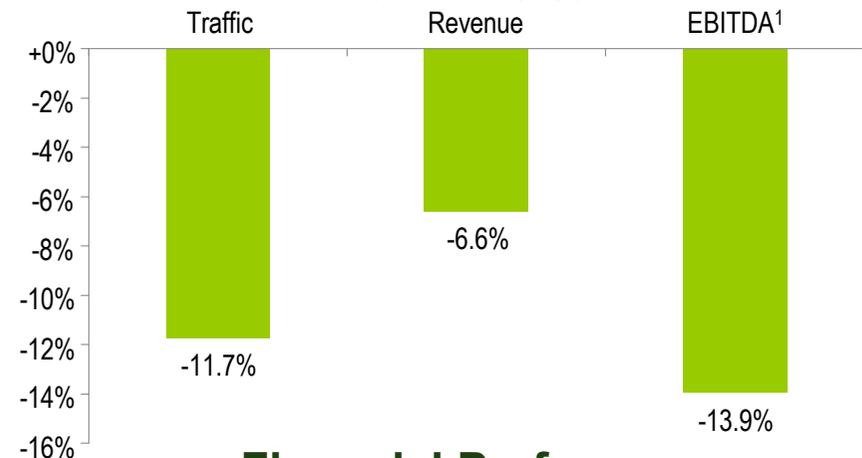
<sup>1</sup> Before specific items

## Short Haul Capacity Beginning to be Restored

- As with CPH, much improved 2Q09 performance
- Brussels Airlines beginning to restore capacity, aeronautical charges increased in line with inflation under current long term agreement
- Retail revenue down only 2.3% in 1H09 (vs 11.7% decline in pax) as a consequence of 2008 initiatives which delivered 25% expansion in space
- Phase 1 of BRUcargo-West now operating – 100% let
- Cost increases held to 2.9% despite mandatory double indexation of salaries over last 12mths

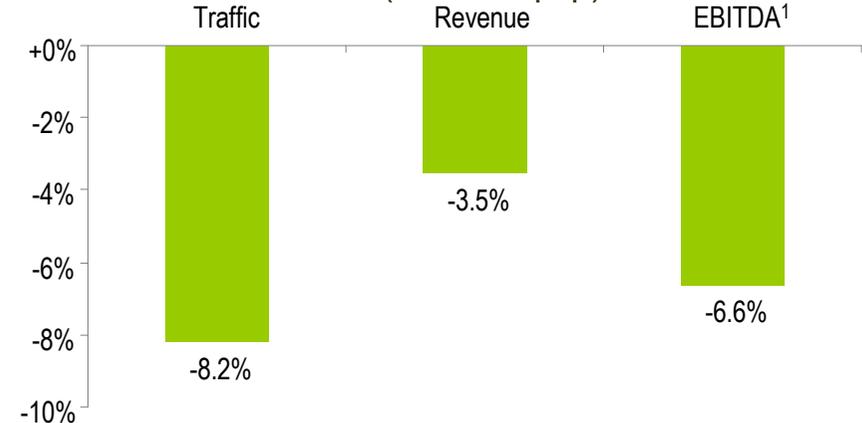
### Financial Performance

(1H09 vs pcp)



### Financial Performance

(2Q09 vs pcp)

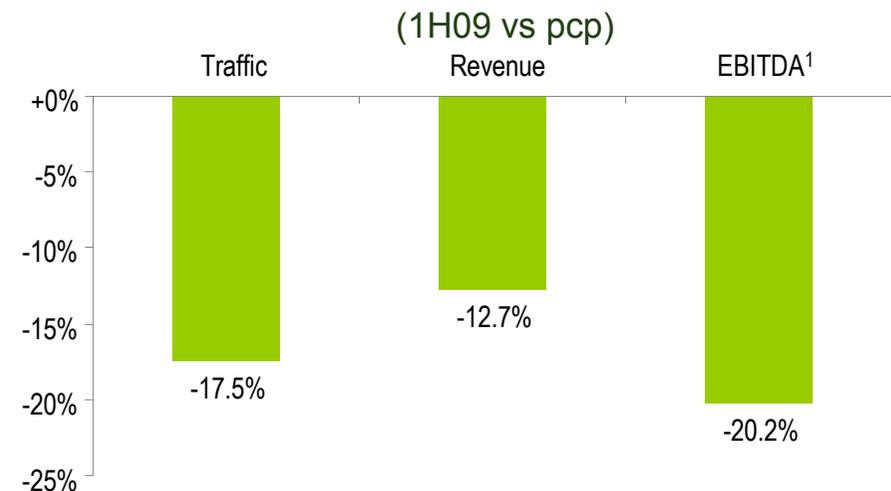


<sup>1</sup> Before specific items

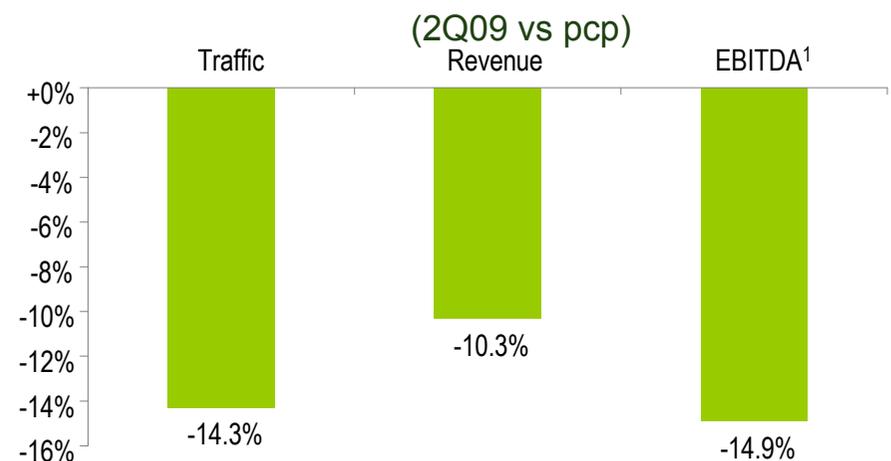
## UK Economic Conditions Remain Challenging

- Revenue & EBITDA hit by collapse of XL in 2H08 – relatively high yielding traffic lost
- Capacity gradually being replaced – doubling of Ryanair base to 4 aircraft in July
- Retail yields increased – food & beverage in particular benefiting from the new layout completed in mid 2008
- Costs 2.1% lower than pcp due to corporate restructuring & disciplined cost management, despite increased utility costs

### Financial Performance



### Financial Performance



<sup>1</sup> Before specific items



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# GROWTH INITIATIVES

Kerrie Mather, Chief Executive Officer



## *Early Signs of Recovery, Long Term Outlook Positive*

### ■ Sydney

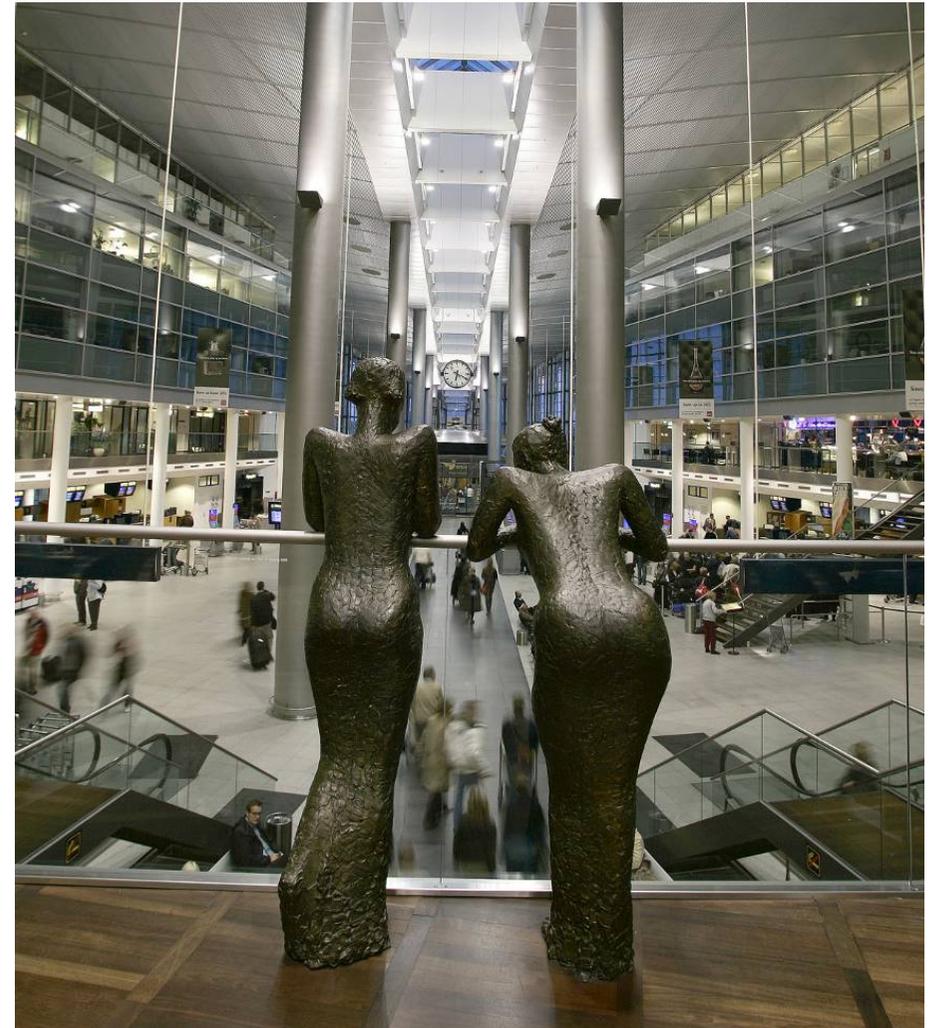
- Tiger & Delta launched in July
- Qantas to increase A380 frequencies as new aircraft received
- Tiger planning a significant expansion of services upon receipt of next aircraft in October

### ■ Copenhagen & Brussels

- Brussels Airlines restoring short haul capacity
- Terminal facilities for operationally efficient airlines being developed
- Successfully attracting low cost & leisure traffic

### ■ Bristol

- Ryanair base doubled to 4 aircraft in July



## *A\$500m Passenger/Facilities Improvement Program*

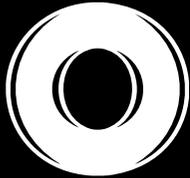
### ■ T1 Redevelopment update

- 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 >90% 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





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# Mitigating Actions

## *Have Taken Significant Actions to Deliver EBITDA Outperformance in 2Q09*

### ■ Efficiency improvements

- Sydney & Bristol: Restructurings undertaken in 2008
- Brussels: Remedial plan being developed post S&P downgrade
- Copenhagen: Strategic cost review has started to deliver benefits

### ■ Capex reviewed in light of conditions

- Work with airline partners to ensure 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





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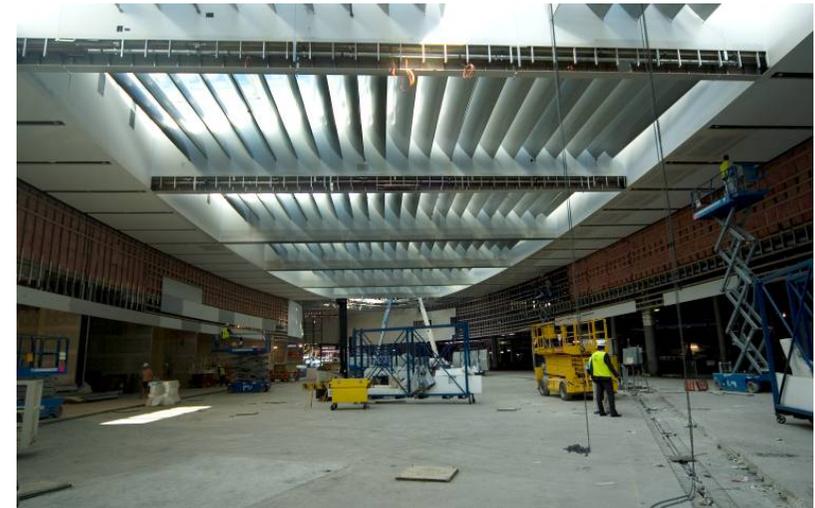
# OUTLOOK

Kerrie Mather, Chief Executive Officer



## *Long Term Growth Prospects for Aviation Industry Remain Strong*

- **Early signs of recovery**
  - However, European traffic will still show a full year decline
- **Active implementation of mitigation strategies**
  - Commercial businesses generally continue to perform well 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 has ensured airport balance sheets remain strong



## *2Q09 Has Demonstrated Resilience of MAp Model*

- EBITDA outperforming traffic at a portfolio level again, active management vital
- 2009 distribution guidance reaffirmed at 21c per stapled security<sup>1</sup>
- Continued delivery from major commercial initiatives
- Strong balance sheet, substantial cash reserves, no near term debt maturities
- Maintain a conservative stance towards capital management, notwithstanding some improvement in operating & financial conditions
- Internalisation proposal: SGM scheduled for September 2009

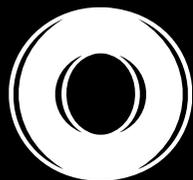


<sup>1</sup> Subject to external shocks to the aviation industry or any material changes in the forecast assumptions.

**MAp**  
1H09 FULL YEAR RESULTS PRESENTATION



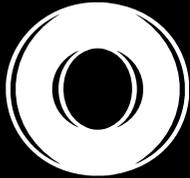
21 August 2009



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# Summary Cash Flows

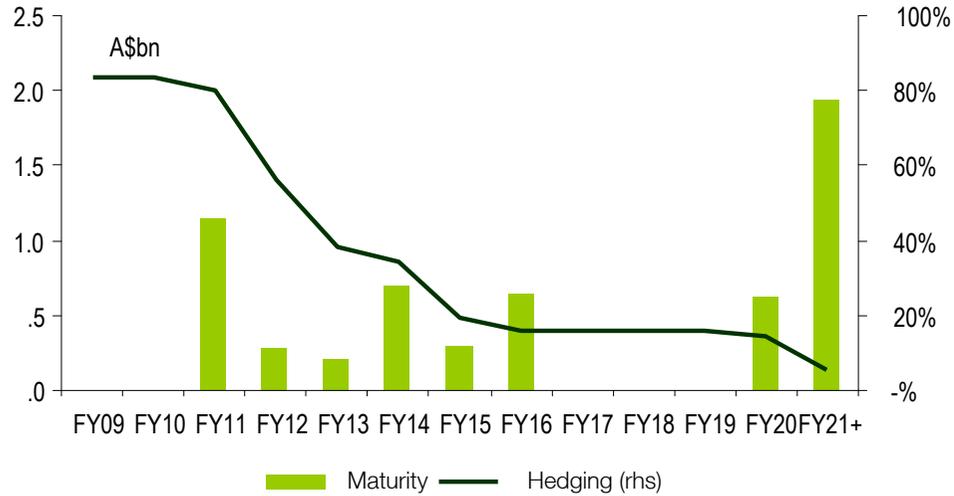
6mths to 30 Jun (A\$m)	1H09	1H08
Sydney Airport	98	92
Copenhagen Airports	-	91
Brussels Airport	11	74
BABL	-	158
ASUR	28	7
Other Income	20	38
<b>Distribution, Interest &amp; Other Income Received</b>	<b>157</b>	<b>462</b>
Operating Expenses	(4)	(7)
Management Fees	(13)	(33)
Net Tax	(10)	1
<b>Operating Cash Outflow</b>	<b>(27)</b>	<b>(38)</b>
<b>Net Operating Cash Flows</b>	<b>130</b>	<b>423</b>
Net Cash Flows from Investing Activities	(766)	(57)
Net Cash Flows from Financing Activities	(67)	(29)
<b>Net Cash Flows Before Distribution to MAp Security Holders</b>	<b>(703)</b>	<b>337</b>
Distributions to MAp Security Holders	(240)	(309)
<b>Net Cash Flows</b>	<b>(943)</b>	<b>28</b>



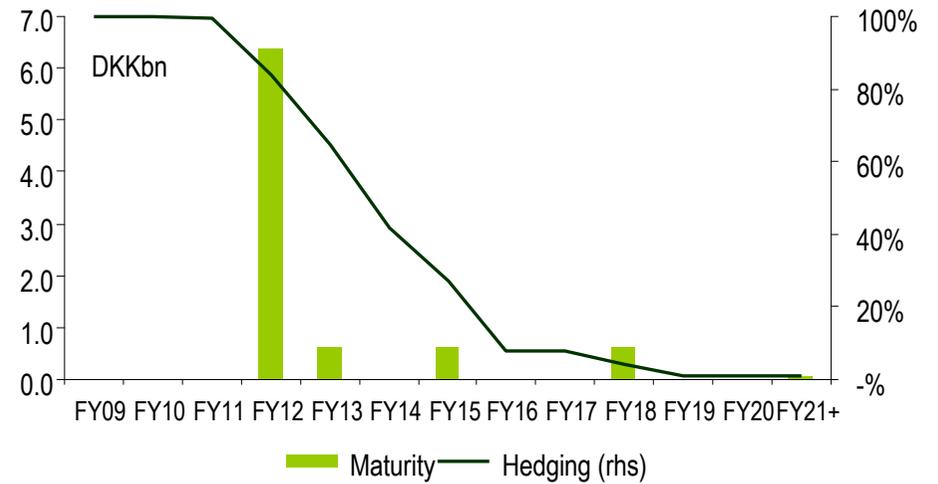
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# Asset Debt Maturity & Hedging

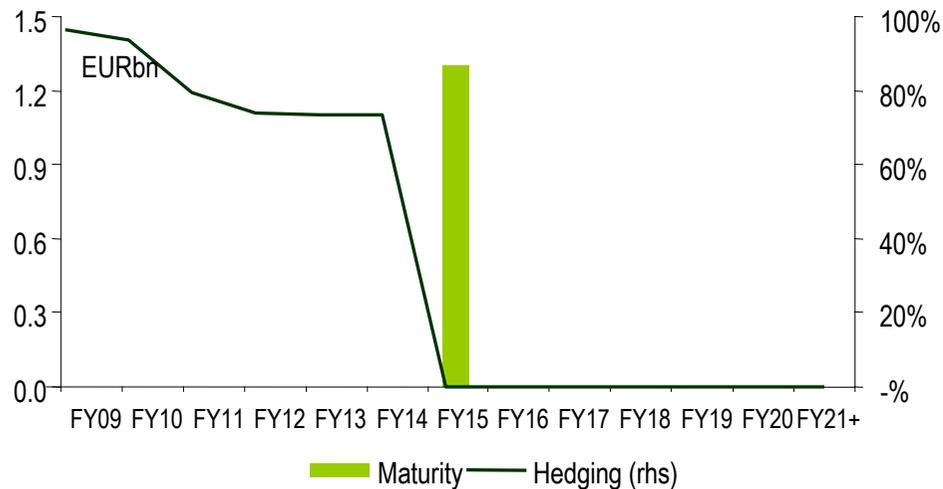
## Sydney



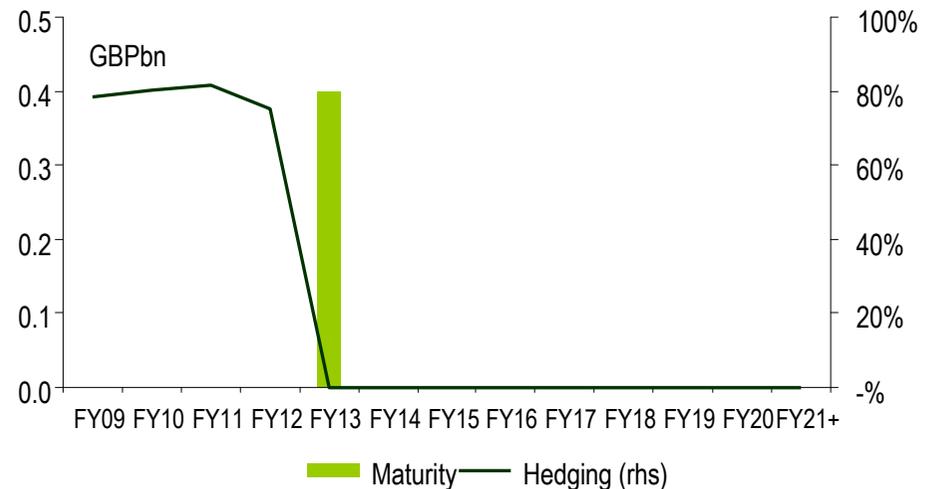
## Copenhagen<sup>1</sup>



## Brussels



## Bristol



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