

CHAIRMAN'S ADDRESS

TREVOR GERBER

Good morning, my name is Trevor Gerber.

I'm the Chairman of Sydney Airport Limited and I've also been appointed to chair the meeting of Sydney Airport Trust 1.

Before we begin today, I would like to acknowledge the traditional owners of the land on which we meet, the Gadigal people of the Eora Nation and pay my respects to elders past, present & future.

I now open the meetings of the members of SAL and SAT1 and declare that a quorum is present for each entity.

Welcome to the meeting, and I thank you for attending today.

Let me begin by introducing my fellow directors.

Directors of Sydney Airport Limited seated on the stage in order from left to right are Kerrie Mather, who is also Sydney Airport's Managing Director and CEO, Grant Fenn, Michael Lee, John Roberts, Ann Sherry and Stephen Ward.

In the front row of the room we have the directors of The Trust Company (Sydney Airport) Limited, the responsible entity for Sydney Airport Trust 1.

Seated in order from left to right are Russell Balding, Patrick Gourley and Gillian Larkins.

Also in attendance are Julian Donnan, our legal advisor from Allens and Eileen Hoggett our audit partner from KPMG, who will be rotating off as our lead partner and replaced by Nigel Virgo, also present. They will be able to assist with answers to questions you may have, relating to the Group's financial statements and their audit.

The following members of Sydney Airport's management team, who are wearing name tags, are also in attendance:

Mr Hugh Wehby, Chief Operating Officer,

Mr Greg Botham, Chief Financial Officer,

Mr Jamie Motum, General Counsel & Company Secretary, and

Mr Raymond Kwan, Head of Investor Relations.

At the conclusion of the meeting, we invite investors to join the Board and management for refreshments in the lobby area outside.

I will commence proceedings with an overview of our performance and the key strategic decisions and achievements for the 2016 financial year. After my opening remarks, I will hand over to Kerrie to present her report on our business and outlook, before we move to the formal business of the meeting and the resolutions.

We will provide an opportunity for discussion and any questions you might have when we deal with each of the formal agenda items.

If you would like to ask a question, you'll need to go to the microphone and introduce yourself to the attendant.

I will be adhering to the Business Council of Australia Code of Conduct for General Meetings in the conduct of today's proceedings.

Now to our performance and strategic priorities, which have and will continue to deliver sustainable growth in investor value over time.

Our strategy and proactive management of the business has delivered consistently strong returns over time, as well as a solid growth profile in passengers, revenue, EBITDA and distributions.

Over the past five years, Sydney Airport has delivered a total shareholder return of 24% per annum, including the reinvestment of dividends, which compares to the ASX100 performance of 12% per annum over the same period.

That means if you had invested \$10,000 in Sydney Airport securities on 31 December 2011, the value of that investment including reinvested distributions would be approximately \$30,000 at 31 December 2016. The equivalent investment in the ASX100 would be worth approximately \$18,000.

So a clear outperformance of the ASX100, and that positive movement in the Sydney Airport security price has continued into 2017.

It was a particularly good 2016 calendar year.

We recorded the strongest international passenger growth in 12 years, which in turn led to double digit growth in EBITDA, Net Operating Receipts and distributions.

In 2016, investors received a 22% increase in distributions, reflecting the sustained growth in our operational and financial performance.

We continue to focus on growing distributions and delivering long term value for investors.

As many of you may know, earlier this month we announced that we would not be accepting the offer in the Notice of Intention to develop and operate Western Sydney Airport.

Since April 2014, we consulted openly and constructively with the Commonwealth Government. I am pleased to note that Minister Fletcher, who is responsible for the project, has publicly acknowledged our positive contribution.

Over the past three years, we have undertaken extensive work to determine the likely demand and growth potential, the cost, risks and financial returns of the project. In addition, we looked at a wide range of funding options. We also considered the implications of and opportunities and strategy for Western Sydney Airport under our ownership, or Government or another private sector party owning it.

After consideration of our detailed evaluation, we determined that the project did not meet our investment criteria. The risks associated with its development and operation are considerable, and will endure for many decades without commensurate returns for our investors.

Having said that, management has spent a great deal of time in western Sydney, getting to know the community and what is important to them. Their engagement in western Sydney will continue through the new relationships they have established, in particular with business and community leaders and our sponsorship of Western Sydney University, GWS Giants and Parramasala.

The development of a new airport is an exciting opportunity for western Sydney. We have no doubt that the new airport, which is expected to be operational late 2026, will create jobs and encourage significant investment in the region.

Importantly, the additional aviation capacity Western Sydney Airport will provide for both the Sydney Basin and Sydney Airport, will ensure that NSW continues to compete both nationally and internationally competitive.

Over the past three years, the Western Sydney Airport consultation has allowed us to gather extensive and valuable information on future Sydney Basin demand, which will help us prepare for the release of our 2039 Master Plan, and importantly progressing our expansion plans in consultation with our stakeholders.

Now to touch briefly on other strategic decisions and contract negotiations delivered over the past year, that are driving financial performance and positioning us well for future growth.

New international aeronautical agreements, the duty free contract, the T3 transaction, and other new commercial contracts, will deliver enduring positive financial and strategic outcomes for our business, and revenue certainty into the 2020s.

Strengthened collaboration with airlines, ground handlers and government agencies, is delivering improvements in airfield operation, baggage, check-in, and passenger facilitation.

The Heinemann Duty Free Contract has transformed the T1 customer experience. Passengers are enjoying the new ideas, brands and products that have been introduced.

And finally, T3 has been seamlessly and successfully transferred to our ownership, and performance is ahead of plan.

Today, I confirm an interim distribution of 16.5 cents per stapled security, and am pleased to reaffirm our 2017 distribution guidance of 33.5 cents per stapled security, fully funded from operating cashflow. This represents an 8% growth on the 2016 distribution. As always, this guidance is subject to aviation industry shocks, and material changes to forecast assumptions.

This reflects our confidence in the business outlook.

We also announced today that the distribution reinvestment plan, will be in operation for the interim distribution at no discount. This provides eligible security holders with the opportunity to reinvest some or all of their distribution in Sydney Airport securities, without incurring brokerage costs.

Let me now hand over to Kerrie to take you through our business and outlook.

CEO AND MANAGING DIRECTOR'S ADDRESS

KERRIE MATHER

Thank you Trevor, and good morning everyone.

Let me also welcome you today.

I am going to give you an update on the positive progress, we are making in all 5 areas of our strategy. Then I will discuss the work we are doing around sustainability, and to engage with our community. And finally our outlook.

Before I do, let me run through our investment highlights and the strength of our fundamentals.

Sydney Airport is Australia's international gateway.

Our proximity to the CBD, Australia's major business and tourism centre, makes the airport highly attractive for airlines and passengers. Sydney is simultaneously the largest population centre, the most popular tourist destination, and the business capital. This gives us a strong competitive advantage.

Given the size of Australia, and the distance between the major populations, air travel is a necessity. This is evidenced, by the fact that we serve 2 of the busiest air routes in the world to Melbourne and Brisbane, one of the largest A380 airports globally, the number 1 long haul low cost airport, and number 1 long haul airport for the Chinese market.

We have a major investment program underway to provide aviation capacity for business expansion. We are also adding car parking capacity and commercial space for property tenants and retail offerings. So we have ample capacity for growth and substantial commercial opportunities.

We have a long term lease with 80 years remaining.

So, Sydney Airport is a high quality investment, that has delivered strong and consistent growth historically, and we are well positioned for continued growth into the future.

Our strategy is to deliver sustainable growth and value, underpinned by a collaborative and integrated approach, to meeting passenger, airlines, business partner and community needs.

There are 5 key pillars underpinning our business strategy: Partnering to grow the market; optimising efficiencies, operations and capacity of the airport; improving

access to the airport; enhancing the passenger experience; and meeting demand for aviation infrastructure.

Let me update you on our program in each area, starting with our partnerships, which are driving strong market growth.

Sydney and NSW are both unique, high growth markets. We are well positioned to leverage our access to Asia, and our airport provides direct access to 70% of the world's population. We are working closely with our tourism and business partners – including government and airlines – to make the most of these market opportunities, to support the growth of aviation and tourism.

With GDP that is larger than Singapore, and also larger than the Hong Kong economy – NSW is a significant economy in the Asia/Pacific region.

600 multinationals have their AsiaPac headquarters in Sydney, 41% of Australia's leading 500 companies are based here, and 90% of international banks have their regional headquarters here as well.

Sydney and NSW are also the strongest economies.

NSW has the highest consumer confidence in the country, with a strong budget surplus, no government net debt, a triple A credit rating, continued job creation, and business investment continues to grow.

These are all important drivers for Sydney Airport, in terms of passenger growth and airline yields, and give us a strong market position.

We serve 94 destinations, including within Australia, on 44 airlines.

With direct flights to all corners of the world, we have both strong passenger and geographic diversity, which provides resilience through economic cycles.

Geographically, we also have a natural competitive advantage. Airlines serving Asia are able to fly to Sydney and return within 24 hours. This is highly attractive from an aircraft utilisation perspective.

Comparing our route map from 7 years ago, one startling difference is the number of mainland Chinese destinations we are serving directly. We now have 14 mainland Chinese cities, served by 6 mainland airlines and Qantas. This compares to just 3 cities, from 3 airlines, 7 years ago.

Importantly, Sydney Airport is a pan-Asian growth story. You can see that we are not reliant on one or two particular countries for growth. In fact, passengers to and from Asia, are forecast to contribute more than half of Sydney Airport's volumes, by the end of this year.

And we are off to a great start with international growth of 7.2% year to date.

The number of passengers from each region relative to their population sizes, illustrates the growth potential that we see going forward.

Our second focus area, is investment in technology, to increase efficiency, capacity and provide a better customer experience. For example, we are now using data and technology, to more efficiently present information to passengers, and also to speed up processing times.

This slide shows before and after photos of the emigration process. On the right hand side, it shows the very easy-to-use new Smart Gates. These have been introduced on Departures, in collaboration with Border Force, quite a contrast to the previous. They reduce processing time from 8 minutes, to 23 seconds.

We are also working with our airline partners, the first being Qantas, to automate the check-in process, in the same way as at T3.

Investment in technology improves processing times, and creates a much better customer experience.

Feedback on the work we have done to date, has been very positive.

We recognise that access into, out of and around the airport, particularly at peak periods, can be challenging, so is a key focus area for us, together with the NSW and Australian governments. We are now in our third year of a 5 year road improvement program, in and around the airport.

We are focusing on reducing travel times by widening surrounding roads, smoothing traffic flows, eliminating traffic lights, minimising vehicle lane changes, separating pedestrians from vehicle traffic, and increasing capacity for public buses.

Opening a new exit road at the T2/T3 domestic precinct, called 7th Street, has increased the intersection and road capacity.

Completed works have already reduced congestion and travel times, delivering an improved customer experience. And there is more underway which will deliver further improvements.

The NSW and Australian governments, have now commenced works on a new connecting road to the domestic precinct, from Southern Cross Drive. They're also widening Joyce Drive from 4 to 6 lanes, and then changing the Stamford Plaza block, into a one-way road system over the next 2 years.

Over at international, the widening of Marsh Street by the NSW Government, will be complete by the end of the year.

We have a holistic and integrated approach to ground access, in and around the airport.

Working together with Government and getting it right, will improve the experience for customers, commuters, and importantly surrounding communities.

A key element of that, is advocating for more and affordable public transport, to and from Sydney Airport.

Earlier this month, Minister Constance, announced the NSW government will add 200 airport train services per week, by the end of this year.

This will reduce average waiting times for trains, encourage people to choose the train over other alternatives, and make it even more convenient for visitors, especially on weekends, when trains will be more frequent.

Many of the 30,000 people who work at the airport commute by train, and will welcome the extra frequency.

We are also upgrading and transforming the customer experience inside our terminals. We have increased the space, introduced additional seating to provide more natural light, and fantastic views over the airfield.

The T1 redevelopment has introduced a beautiful new look and feel throughout the terminal.

We have introduced a number of design elements, aimed at reducing stress levels for passengers as they make their way to boarding gates.

This has included creating more space, which has improved sight lines, and signage displaying walking times to gates. These initiatives have contributed to a calm and enjoyable terminal experience. We have already had wonderful feedback from recent travellers, who have been highly complimentary about their recent airport experience.

And we have listened to our customers needs in terms of retail offerings and amenities, and introduced some “first to Australian airport” and “first to Australia” brands. Feedback from passengers on the new brands and range of choice has been excellent.

The premium fashion precinct, has now been completed with the opening of Hermes & Gucci, to complement other recently opened middle to high end brands.

We have also created a step change in our food and beverage offering. New brands featured within the premium dining – City View precinct, include The Bistro by Wolfgang Puck, Heineken House, Joe & The Juice, and now Kitchen by Mike, serving seasonal and healthy meals.

A diverse offering has also been unveiled within the Marketplace precinct, including a wide range of fast, fresh and healthy, local and international food offerings.

Over at T2 domestic, we’ve upgraded and expanded the casual dining precinct, showcasing a greater range of food and beverage outlets, also with an emphasis on healthy food brands. Not only have we introduced new brands, but the new furniture, and the fresh and modern fitouts, have really brightened up the terminal.

We know that technology investment is vitally important, to improving the customer experience and airline operations.

A wide range of initiatives have been rolled out across the airport, including wayfinding kiosks, upgraded flight information display systems in multiple languages, and queue management and queue time displays.

We have also enhanced our free wifi service, and launched a new retail website, to show brands on offer.

Earlier this year, we launched an innovative new service offering. Tailored real time flight information to passengers via social media – this also assists passenger planning and reduces stress.

We have also worked very closely with Google Maps, to provide a very detailed view of the inside of our terminals, and improve passengers' wayfinding. Passenger conveniences such as toilets, shops and gate numbers, now appear when Google Maps is opened on your phone or device.

We are delighted that these enhancements contributed to increased passenger satisfaction ratings, and this has also been reflected in the recent ACCC Report, with an increased rating from "satisfactory" to "good". And this was during a period of significant passenger growth and construction activity.

So, I hope that gives you a sense of the transformation that we have delivered so far, and there is more to come.

I would now like to share with you how we are intending to meet aviation demand.

As we plan for the future, we are considering the long term growth of our operations and planning new infrastructure.

We have come a long way since the opening of the airport in 1919, nearly 100 years ago, and the opening of the international terminal by the Queen in 1970.

It is interesting to reflect, that in the 1970's, there were only a few flights to Asia, and no direct flights to the Middle East.

We are now the largest airport and key gateway to Australia, handling over 42 million passengers a year.

Our master planning shows that Sydney Airport is able to meet significant aviation growth, within our existing footprint. This includes a greater focus on co-location, new terminals, and differentiated products.

Our planning has accounted for the opening of Western Sydney Airport in late 2026, and the opportunities this will create for Sydney Airport.

On the slide, we have identified the areas available to develop our facilities. These include an expansion of our international Terminal 1, by adding new gates, baggage system expansions and apron capacity. Also a new Terminal 4, which will provide new, international gates adjoining T2/T3. And also new aeronautical facilities in the SSE sector, south of General Holmes Drive.

It is important these plans remain flexible, and that we deliver an integrated solution for passengers, terminal connectivity and ground access, whilst improving the customer experience, and optimising the capacity and operations at the airport.

Now turning to our work on sustainability and our community activities.

Demonstrating our positive impact and contribution to society, the environment, our communities and the economy, is fundamental to the sustainability of our business. So we have taken a leadership position within the airport industry.

Our sustainability strategy ensures our business strategy is delivered responsibly, while continuing to build on our positive reputation with our stakeholders. And we are already seeing the benefits, with improved stakeholder relationships, a stronger focus on sustainable growth, and a deeply embedded commitment, to deliver value to the Sydney and NSW communities.

For example, we are committed to reducing carbon emissions by participating in an internationally accredited, voluntary carbon management program. It has four levels that progress from mapping carbon emissions, reducing emissions and engaging with third parties, through to carbon neutrality. In 2016, we achieved Level 3 Accreditation.

As part of the program, we established a target, to reduce our carbon emissions per passenger, by 25% by 2020, from 2010 levels. Since that time we have reduced our carbon emissions by over 25%, achieving our target well ahead of schedule. We also achieved an absolute reduction of almost 8% since 2010, despite significant increases in passenger numbers over that period.

This was achieved largely through a range of energy efficiency opportunities, including lighting upgrades and improvements to our heating, ventilation and air-conditioning systems.

So we are focused on sustainability initiatives, to drive positive business outcomes into the future.

Sydney Airport also plays a significant role in the Sydney and NSW economies. With around 30,000 people working across 800 businesses at the airport, we are a busy and thriving community, that is an engine of growth for the economy

In recent years, we have strengthened our engagement with, and contribution to the community. We are committed to deepening that engagement with a focus in three key areas.

Our first pillar is Living local. We want to keep communities connected, healthy, vibrant and thriving. To support this goal, we've been a major sponsor of Surf Life Saving Sydney for the past 15 years. This is in addition to a wide range of other organisations, that include local sporting, community, environmental and local festival events.

Our second pillar, Leading and learning. We understand the value of leadership and learning to achieving growth and success. We're very proud of our two key partnerships, sponsoring the gold medal Women's Rugby Sevens team, as well as the Greater Western Sydney, Giants women's AFL team. We were delighted to become a foundation partner for the Giants, ahead of their inaugural season this year.

Our third pillar, Sydney's airport. Throughout the year, we have celebrated the unique character of our city through participation in the Sydney Festival, the Fringe Festival, Parramasala and Chinese New Year celebrations. In addition, we sponsor the Sydney Symphony Orchestra, supporting special performances for school children. The orchestra also regularly performs at Sydney Airport, extending Sydney's cultural identity to the airport, and welcoming visitors in distinctive style.

The slide shows some of the initiatives and events held throughout the year. Our involvement in Surf Life Saving Nippers program. We raised \$316,000 for Ronald McDonald House Charities for 2,396 bed nights, to support families coming to Sydney for their children. The Rugby Sevens Women's team, and we inaugurated the Nigel Love Bridge, acknowledging the founder of Sydney Airport, who carved out many milestones for Australian aviation.

Very recently, we welcomed the world to Vivid Sydney, with stunning lighting installations at the airport. The installation on the slide, depicts an enchanted forest of lights, complemented by a sound feature. We were excited to be welcoming the many visitors from around Australia and overseas who came to Sydney for this fantastic festival.

Now turning to our outlook.

We have had an excellent start to the year with strong international traffic growth. To cater to this growth, we are investing in increased capacity, improved facilities, and creating a high quality passenger experience.

Sydney is now of a size, and aviation is growing at a speed, where 2 airports serving the Sydney basin from 2026, will ensure NSW continues to be competitive.

At Sydney Airport, we are working globally to attract airlines to increase choice and value for passengers; delivering improvements that will continue to positively transform our customers' experience; investing in significant roadworks that will improve access to and around the airport; undertaking new commercial developments, that will drive increased returns; and committed to being a good neighbor, and investing more in our community.

Over the next 12 months, we will be preparing for the release of our 2039 Master Plan, and importantly progressing our expansion plans.

On a final note, you may have seen I have announced my intention to retire. I will be very sad to leave, as many of you who know me, know how passionate I am about the airport. But after 15 years, I believe it is the right time for a leadership change. We have a committed and talented team, and the company is in excellent shape, with strong growth prospects.

I still have much to do at Sydney Airport, while the Board searches for a new CEO, and I have agreed to stay on until a new CEO commences.

So, I would like to take the opportunity to thank you, our security holders, for your continued support over the 15 years. We remain confident in the long term growth

and success of Sydney Airport, and in turn, delivering growing returns for you, our investors.

Thank you.

CHAIRMAN'S CONCLUDING REMARKS

TREVOR GERBER

Thank you Kerrie.

As I am sure you all understand, Kerrie's decision to retire from Sydney Airport is significant. Importantly for all of us, and in keeping with her commitment to Sydney Airport, Kerrie has agreed to stay on until a new CEO commences. We have appointed an international search firm and that process is now underway. However, finding the right person will take time and Kerrie's decision to stay through that process provides us with organisational continuity and stability and I thank her for that.

Whilst Kerrie isn't leaving us just yet, I think now is the right time, to pay tribute to the tremendous contribution that Kerrie has made to Sydney Airport over the past 15 years. Kerrie has been the CEO of the listed company since 2002 and Chief Executive of Sydney Airport since June 2011.

Under Kerrie's leadership, Sydney Airport has developed strong and enduring relationships across the aviation industry, with all levels of government both in Australia and internationally and with our local community. This partnership approach has delivered growth in aviation which in turn has stimulated economic activity across our local, NSW and national economies.

I know that Kerrie, with her indomitable spirit, her endless enthusiasm and her love for Sydney Airport will be missed by many people. However, as Kerrie has informed us that she is retiring from executive life I suspect she will be one of the many frequent travellers making good use of Sydney Airport over the years ahead, and we look forward to seeing her often.

I'd now like to turn to the formal part of today's meeting.