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ASX Release

18 August 2020

Retail Entitlement Offer – Despatch of Retail Offer Booklet and Letter to Ineligible Securityholders

Sydney Airport advises that it will today complete despatch of the Retail Offer Booklet (which was released on the ASX on 14 August 2020) and personalised Entitlement and Acceptance Forms to Sydney Airport securityholders eligible to participate in the retail component of Sydney Airport's pro rata accelerated renounceable entitlement offer (with retail rights trading) announced on 11 August 2020 (**Entitlement Offer**) (**Retail Entitlement Offer**).

A letter to ineligible securityholders notifying them of the Entitlement Offer and their ineligibility to participate will also be despatched today. A copy of this letter is attached.

The documents will be despatched by either email or post, depending on each securityholder's communication election for their Sydney Airport securities.

Further information

For further information on the Entitlement Offer, please contact the Sydney Airport Securityholder Information Line on:

- 1800 102 368 (from within Australia); or
- +61 3 9415 4195 (from outside Australia),

between 8.30am and 5.00pm (AEST) Monday to Friday prior to close of the Retail Entitlement Offer, or visit www.sydooffer.com.au.

Authorised for release by the SAL and TTCSAL Boards

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IMPORTANT INFORMATION

IMPORTANT NOTICES

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NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Tuesday, 18 August 2020

Dear Securityholder

Sydney Airport Entitlement Offer – Notification to Ineligible Securityholders

On Tuesday, 11 August 2020, Sydney Airport¹ announced a fully underwritten pro rata accelerated renounceable entitlement offer (with retail rights trading) to eligible securityholders to subscribe for 1 new Sydney Airport stapled security (**New Securities**) for every 5.15 existing Sydney Airport stapled securities (**Securities**) registered on the Sydney Airport security register (**Register**) at 7.00pm (AEST) on Friday, 14 August 2020 (**Entitlement**), at an offer price of \$4.56 per New Security (**Offer Price**) to raise approximately \$2 billion (the **Entitlement Offer**).

The Entitlement Offer comprises an offer to Eligible Institutional Securityholders (as defined below) (**Institutional Entitlement Offer**) and an offer to Eligible Retail Securityholders (as defined below) to participate on the same terms (**Retail Entitlement Offer**).

The Entitlement Offer is being made by Sydney Airport without a disclosure document in accordance with sections 708AA and 1012DAA of the *Corporations Act 2001* (Cth) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73* (the **Act**).

You are receiving this letter as unfortunately, according to our records, you did not satisfy the eligibility criteria to participate in the Entitlement Offer. Further information on the Entitlement Offer, including the eligibility criteria to participate and how your Entitlements will be dealt with, is set out below.

Institutional Entitlement Offer

On Friday, 14 August 2020, Sydney Airport announced that it had successfully completed the Institutional Entitlement Offer. Through the Institutional Entitlement Offer, Sydney Airport has now raised gross proceeds of approximately \$1.3 billion.

Securityholders who were eligible to participate in the Institutional Entitlement Offer (**Eligible Institutional Securityholders**) were those:

- (a) to whom ASX Listing Rule 7.7.1(a) did not apply;
- (b) who successfully received an offer under the Institutional Entitlement Offer (as the underwriter determined in its discretion); and

¹ Sydney Airport Limited (ACN 165 056 360) (**SAL**) and The Trust Company (Sydney Airport) Limited (ACN 115 967 087) as responsible entity of Sydney Airport Trust 1 (ARSN 099 597 921) (**SAT1**).

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- (c) who, if they were a nominee, were only an Eligible Institutional Securityholder to the extent that they held securities for beneficiaries who would have been Eligible Institutional Securityholders, had they held the securities themselves.

Retail Entitlement Offer

The Retail Entitlement Offer, which is expected to raise approximately \$0.7 billion, is being made to Eligible Retail Securityholders (as defined below) on the basis of one New Security for every 5.15 Securities registered on the Register at 7.00pm (AEST) on Friday, 14 August 2020 (**Record Date**).

A booklet in relation to the Retail Entitlement Offer was lodged with the ASX on Friday, 14 August 2020 and will be sent to Eligible Retail Securityholders (as defined below).

Securityholders who are eligible to participate in the Retail Entitlement Offer (**Eligible Retail Securityholders**) are those who:

- (a) are registered as a holder of Securities as at 7.00pm (AEST) on the Record Date;
- (b) have a registered address in Australia or New Zealand;
- (c) are not in the United States and are not acting for the account or benefit of persons in the United States (to the extent such persons hold Securities and are acting for the account or benefit of a person in the United States);
- (d) did not receive an offer to participate (other than as nominee) or were otherwise ineligible to participate in the Institutional Entitlement Offer; and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Eligibility criteria

The restrictions upon eligibility to participate in the Entitlement Offer arise because of the legal and regulatory requirements in certain countries, the relatively small number of securityholders in certain countries, the small number of Securities that are shown on the Register as being held by securityholders in certain countries, the relatively low value of New Securities to which securityholders would otherwise be entitled in certain countries and the potential cost of complying with regulatory requirements in certain countries.

Sydney Airport has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Act, that it would be unreasonable to make offers under the Retail Entitlement Offer to securityholders of Sydney Airport in countries other than Australia and New Zealand and, in respect of the Institutional Entitlement Offer, certain additional countries, due to the legal limitations and potential cost of complying with regulatory requirements in those countries. The underwriter and its affiliates and related bodies corporate and each of their directors, officers, partners, employees, advisers and agents disclaim any liability in respect of any determination as to eligibility, to the maximum extent permitted by law.

Securityholders who were not Eligible Institutional Securityholders and are not Eligible Retail Securityholders are ineligible to participate in the Entitlement Offer.

Unfortunately, according to our records, you did not satisfy the eligibility criteria for an Eligible Institutional Securityholder and do not satisfy the eligibility criteria for an Eligible Retail Securityholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Act, Sydney Airport wishes to advise you that it will not be extending the Entitlement Offer to you, and you will not be able to subscribe for New Securities under the Entitlement Offer. You will not be sent the documents relating to the Entitlement Offer.

Institutional Entitlement Bookbuild

A number of New Securities equal to the number of Entitlements not taken up by Eligible Institutional Securityholders (along with those New Securities which would have been offered to ineligible institutional securityholders had they been eligible to participate) were offered for sale by the

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underwriter on behalf of Sydney Airport to institutional investors (which may have included Eligible Institutional Securityholders) in a bookbuild process following the Institutional Entitlement Offer (the **Institutional Entitlement Bookbuild**). The Institutional Entitlement Bookbuild was completed on Thursday, 13 August 2020.

The premium of \$0.74 over the Offer Price per New Security that was achieved under the Institutional Entitlement Bookbuild (net of any expenses and applicable withholdings tax) will be paid to ineligible institutional securityholders and Eligible Institutional Securityholders who did not take up all of their Entitlements in proportion to the number of New Securities represented by their Entitlements.

Any proceeds received may have Australian and overseas tax consequences, depending on individual circumstances. You should seek professional tax advice regarding the taxation of any proceeds received.

Retail Shortfall Bookbuild

Sydney Airport has arranged for the Entitlements of ineligible retail securityholders to be sold on their behalf in a bookbuild process (the **Retail Shortfall Bookbuild**). If you are an ineligible retail securityholder, you will receive the premium over the Offer Price per New Security that is achieved (if any) under the Retail Shortfall Bookbuild (net of any expenses and applicable withholdings tax) in proportion to the number of New Securities represented by your Entitlements (**Retail Sale Proceeds**). The Retail Sale Proceeds (if any) will be paid to you in the same way in which distributions on your Existing Securities have previously been paid to you and in all other instances by a cheque in Australian dollars.

The ability to obtain Retail Sale Proceeds in connection with the Retail Shortfall Bookbuild, and the amount of any Retail Sale Proceeds, is dependent on various factors, including market conditions. There is no guarantee that there will be Retail Sale Proceeds or that any particular amount of Retail Sale Proceeds will be achieved. To the maximum extent permitted by law, Sydney Airport, the underwriter and its related bodies corporate and affiliates, and each of their respective directors, officers, partners, employees, representatives and agents, disclaim all liability, including for negligence, for any failure to procure Retail Sale Proceeds.

Retail Entitlements trading

While the Entitlements of Eligible Retail Securityholders (**Retail Entitlements**) will be tradeable on ASX, the assignment, transfer and exercise of Retail Entitlements trading on ASX will be restricted to persons meeting certain eligibility criteria. In particular, persons in the United States and persons acting for the account or benefit of persons in the United States (to the extent such person holds Securities for the account or benefit of such person in the United States) will not be eligible to purchase or trade Retail Entitlements or to take up Retail Entitlements they acquire. If you purchase Retail Entitlements during the Entitlements trading period, but you do not meet the eligibility criteria, you will not be able to take up those Entitlements and, as a result, you may receive no value for them.

No action required

This notice is to inform you about the Entitlement Offer. This letter is not an offer to issue New Securities to you, nor an invitation for you to apply for New Securities. You are not required to do anything in response to this letter.

If you have any questions in relation to any of the above matters, please contact the Sydney Airport Securityholder Information Line on 1800 102 368 (within Australia) or +61 3 9415 4195 (outside Australia) at any time from 8.30am to 5.00pm (AEST) Monday to Friday prior to close of the Retail Entitlement Offer.

On behalf of the Board and management of Sydney Airport, thank you for your continued interest in Sydney Airport.

Yours sincerely



Trevor Gerber
Chairman

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This notice does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States, or in any other jurisdiction in which such an offer or solicitation would be illegal. No action has been or will be taken to register, qualify or otherwise permit a public offering of the Entitlements or the New Securities in any jurisdiction outside Australia or New Zealand. In particular, the Entitlements and the New Securities to be offered and sold in the Entitlement Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements offered in the Retail Entitlement Offer may only be exercised or taken up by, and the New Securities to be offered and sold in the Retail Entitlement Offer may only be offered or sold, to persons that are not in the United States and that are not acting for the account or benefit of a person in the United States (to the extent such persons hold Securities for the account or benefit of a person in the United States), in each case in "offshore transactions" (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act.

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