

CHAIRMAN'S ADDRESS

TREVOR GERBER

Good morning ladies and gentlemen, and welcome to the 2016 Sydney Airport Annual General Meeting. My name is Trevor Gerber, I am the Chairman of Sydney Airport Limited and I have also been appointed to chair the meeting of Sydney Airport Trust 1.

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

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 who is our newest member of the Board, 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 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 Financial Officer,

Mr Jamie Motum, General Counsel & Company Secretary, and

Ms Chantal Travers, 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 strategy, long term performance and the key achievements for the 2015 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 will need to go to the microphone and introduce yourself to the attendant.

I would like to share with you our four strategic priorities, which will deliver strong sustainable investor value over time.

Firstly, we partner for growth. We are taking a proactive and customer focused approach, working with airlines, passengers, commercial partners, government and the community to deliver a superior airport experience.

Secondly, we are investing in capacity, improved airport facilities, and more efficient operations for our airlines; in other words, investing for growth. In 2015, we invested \$339 million in access roads, terminal improvements, baggage systems, airfield capacity and car parking facilities. We currently have 180 projects in either design, planning or under construction, the most since the Sydney Olympics.

Thirdly, we are delivering a superior customer experience and improved quality of service.

Finally, managing risk, safety and security are our highest priorities, and as a capital intensive business we have always managed our balance sheet and liquidity prudently.

We continue to execute all four priorities, which are delivering strong sustainable growth in investor value.

Our strategy has delivered a clear track record of consistently strong returns, as well as a solid growth profile in passengers, revenue, EBITDA and distributions.

Over the last five years Sydney Airport has delivered a total shareholder return of 37% per annum, including the reinvestment of dividends. More recently, with a share price of well over \$7, we have delivered a 12 month total shareholder return of 46%, including distributions of 25.5 cents, achievements of which we are very proud.

In 2015, our business delivered EBITDA of over \$1 billion and distributions of 25.5 cents per stapled security, representing growth of 8.5%.

2015 was an excellent set of results, and it has been a great start to 2016, with total and international passengers up 7.5% and 10.1% respectively in the period to 30 April.

Our distribution growth over the last five years provides the foundation of our return to investors. Stability of returns, combined with the growth profile, is something we are very pleased to have delivered to investors.

In February, we announced our full year 2016 distribution guidance of 30 cents per stapled security, representing very strong growth of 17.6% on the 2015 distribution. This growth is driven by strong operational performance, Terminal 3 incremental financial impacts, contracted increases in aeronautical pricing, and lower average finance costs.

So while 17.6% is a significant step up for this year, it is a new base for future growth.

Our guidance, as always, is subject to aviation industry shocks and material changes to forecast assumptions.

2015 was another successful year as we completed three strategically important milestones.

We delivered a new five year agreement with our international airlines. The agreement includes a five year investment strategy and price path, to deliver appropriate returns, the development of a service level framework, and an increase in terminal presentation standards, with safety always front of mind. Feedback to date from airlines and passengers has been positive.

T3 successfully transitioned seamlessly to our control on 1 September last year and is performing very well. The transaction was EBITDA and cash flow accretive from day one and over the medium term there are significant strategic and operational benefits to controlling T3.

The Western Sydney Airport consultation and evaluation is ongoing. The Australian Government has indicated that it expects to deliver a Notice of Intention to Sydney Airport in 2016. We would then have either four or nine months to respond. We continue to analyse the potential opportunity, and we are working actively to address all stakeholder impacts and expectations.

So, as you can see it was a fantastic and busy year.

My thanks go to my fellow Board members, as well as the Sydney Airport management team and employees, for their dedicated efforts throughout the year. I also thank investors for your continued support as we work together to build Sydney Airport into a world class airport.

CEO AND MANAGING DIRECTOR'S ADDRESS

KERRIE MATHER

Thank you Chairman, and good morning everyone.

Let me also welcome you to our AGM.

I would like to start by taking you through last year's business performance in more detail, then our key focus areas for 2016 and beyond.

Looking at the individual business performances for 2015, you can see growth across the board.

Good aero performance reflects strong international passenger growth and investment in aviation capacity and aero facilities.

A strong performance in retail saw passenger spend rates increase 8.2%. This is a result of our continued efforts to improve the retail offering throughout the airport.

Property performed strongly through contracted increases, new tenancies and robust occupancy at 98%.

And we delivered a very good performance from car parking and ground transport, as we continued to execute on our well defined online strategy.

The overarching theme of our passenger growth story is diversity. Diversity has been instrumental in the resilience of our traffic through all economic cycles. Whether looking at markets, airlines or passengers, the unique diversity of Sydney Airport's business and growth opportunities presents a truly global picture.

We adopt a partnership approach to securing new capacity and growing demand in a vast range of markets. We have partnered with both Tourism Australia and Destination NSW, with a co-ordinated approach to developing inbound demand and creating awareness of what Sydney and NSW have to offer. This partnership approach has been very successful. In 2016 to date, we have seen record inbound tourism, and international growth rates are at their highest since 2004.

We have a high quality airline mix, with a wide range of choice from the full service carriers with luxury lounges, to our low cost carriers with their value offerings.

In 2015, an unprecedented seven new international airlines announced the commencement of services to Sydney. In addition, our existing airline partners announced new larger aircraft, two new routes and additional frequencies to 13 destinations. Combined, this new capacity represents over 1.5 million seats serving over 15 countries.

Sydney has a strong and diverse market with 43% of our total passengers travelling for leisure, and a large business market receiving 47% of Australia's premium passengers. Also important for airlines, Sydney is an increasingly attractive education and visiting friends and relatives market, due to the large resident immigrant population. These passenger segments in particular, benefit from recurring travel.

We continue to roll out our Terminal 1 improvement program which will deliver a bigger, brighter terminal. Works are underway to raise the roof height from three to 17 metres, giving full view of the airfield and city skyline, delivering more natural light, and expanding the terminal.

We are creating more concourse space, and introducing wider walkways and improved signage, making it easier for passengers to find their way around.

Customers rate their airport experience based on the quality and range of the retail and food offering. One of our significant focus areas has been on airport and Australian firsts, with more choice, value and well-known brands.

I am delighted to be able to announce some of the new specialty and premium brands that have either just opened or are scheduled to open over the coming year, including:

- Hugo Boss,
- Bally,
- Ferragamo,
- Max Mara,
- Michael Kors,
- Kate Spade,
- Jimmy Choo,
- Tiffany & Co.,
- Fendi, and
- Furla.

People are travelling more frequently and they are looking for a differentiated dining offer to our high quality airline lounges. Therefore as part of the terminal reconfiguration, we are developing a new premium city view dining precinct.

A number of celebrity chefs have started at the airport or will be opening new offerings over coming months, including:

Wolfgang Puck with The Bistro,

Luke Mangan with Bridge Bar and Coast Cafe,

Shannon Bennett of Vue de Monde opening Benny Burger,

Mike McEnearney's Kitchen by Mike, and

Heineken House.

We have also issued a request for proposal, for up to seven food and beverage outlets in the new Marketplace precinct, for a fast and fresh offer, in response to passenger feedback.

These changes will provide customers with more choice and greater value, while delivering an appropriate return to investors, and we are confident the improvements will be well received.

We are extremely pleased that this focus is being recognised by our passengers. In 2015, Sydney Airport was voted Australia's Best Airport, in the People's Choice category by readers of Australian Traveller Magazine.

We are investing for growth. We plan to deliver \$400 million in investment projects this year and \$1.3 billion over the next five years. This investment will focus on safety and security, capacity, service levels, technology and commercial offerings.

Activity is not slowing down. We are investing to benefit our airlines and passengers, and drive financial growth. Aero charges growth and incremental commercial revenue streams are directly linked to the investment program.

As part of our investment program, reducing congestion in and around the airport is a high priority. We know it is vital to get airport access operating efficiently, to make it quicker and easier to get to and from the airport. Our five year integrated ground transport plan incorporates upgrades to the on-airport road network and improved accessibility for public transport, cyclists and pedestrians. We are now almost 12 months into our five year plan.

Let me now give you an update on Western Sydney Airport.

In April 2014, the Australian Government announced that Badgerys Creek had been selected as the site for the Western Sydney Airport.

Under the 2002 Sydney Airport Sale Agreement, we have a Right of First Refusal, which gives us the opportunity to develop and operate a second major airport within 100 kilometres of Sydney's CBD. This is a valuable right, and one that we take very seriously.

Sydney Airport has been engaging with the government for the last two years on all aspects of the project. Support from the aviation industry, community, business, and local, state and federal governments, has increased since the project was announced. And importantly, the project has bipartisan support.

However, development of a greenfield airport is a complex undertaking and the Commonwealth is progressing a vast number of work streams.

The Australian and NSW governments have committed to delivering \$3.6b of vital new road infrastructure for Western Sydney. The Prime Minister has indicated his preference to have a rail link to Western Sydney Airport when it opens and is undertaking a Joint Scoping Study of rail needs for Western Sydney to look at the best routes, services, timeframe and costs.

We are expecting to receive a Notice of Intention this year, bearing in mind there is also a federal election six weeks from now. The Notice of Intention will set out the material terms for the development and operation of the airport, and once received we will have 4 or 9 months to consider the proposal.

We continue to evaluate the opportunity using our rigorous investment criteria and disciplined approach, while understanding the impact on our existing airport and our investors.

Our goal is to deliver responsible growth that balances social and environmental needs with corporate objectives.

This year we made a commitment to be an industry leader in sustainability and to achieve this, we are taking the approach of making sustainability central to our business strategy and embedding it into everything that we do. We recognise that this approach is vital to our long term success.

To achieve our goal, we are focusing on addressing those issues that are most material to our business and our stakeholders. We have grouped these into six strategic priority areas:

- Being a good neighbour,
- Enhancing the customer experience,
- Safety, security and operational efficiency,
- Looking after our people,
- Responsible business practices, and
- Planning for the future.

I am very pleased with the progress we have made and I would like to touch on a number of highlights today.

Safety continues to be a top priority for Sydney Airport and we are committed to delivering the highest levels of safety for our staff, passengers and other stakeholders. Pleasingly, our safety metrics are trending in the right direction.

We have reduced our carbon emissions and are particularly proud of achieving Level Two Airport Carbon Accreditation in recognition of our efforts to map, manage and reduce our carbon emissions. In 2015, we made a commitment to reduce our per passenger carbon emissions by 25% by 2020.

We continue to pay particular attention to encouraging and retaining women in the workplace, and this year we made a public commitment to ensure 30% of both Board and Management roles are occupied by women.

In the year ahead, we will focus our attention on our sustainability strategy. The strategy provides a roadmap for the delivery of sustainable outcomes, that help us in meeting our goal of delivering a superior customer experience and driving investor value.

We are very proud of our history of engaging with the local community. We are continuing to invest in initiatives to help people live active and healthy lives, support families in need, and deliver positive educational and environmental outcomes.

In 2015, we contributed \$2.6 million to the community, an increase of 43% since 2014. We have supported the community through partnerships with charities, local community and sporting organisations, councils, and local and major events.

Some brief highlights from 2015 include:

- Our 14th year of supporting the Surf Living Saving Sydney Branch, and our fourth annual Sydney Airport Community Christmas Giving Appeal. Together with our airport partners, passengers and the general public, we raised a record \$287,000 for Ronald McDonald House Charities in the six week lead up to Christmas. In an Australian airport first, we also held a runway run to raise awareness of our fundraising campaign.
- We raised a record \$234,000 for charity, with funds distributed to St Vincent de Paul, Dymocks Children's Charities, the Steve Waugh Foundation and Stewart House.

We look forward to continuing our support of local communities through 2016, and engaging proactively in the development of business and tourism activity in Sydney and NSW.

We are enjoying a strong start to 2016 in terms of traffic numbers, and we remain confident about the outlook for the business.

Our macro environment is supportive. And the aviation industry is enjoying the benefits of trade and air right liberalisation, emerging markets and US growth, productivity improvements and lower oil prices.

We have a busy pipeline of growth projects and an excellent track record of delivery. We are in excellent financial shape, with a strong balance sheet and financial flexibility to support continued business expansion.

We will continue the execution of our strategic priorities and remain confident in our ability to deliver long term growth and value for investors.

We are pleased today to re-affirm our distribution guidance of 30 cents per stapled security, a 17.6% growth for the year.

On a final note, I would like to take the opportunity to thank you, our investors, for your continued support. I want to assure you of management's commitment to the long term growth and success of Sydney Airport.