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ASX RELEASE

MACQUARIE

MACQUARIE AIRPORTS
FULL YEAR & FOURTH QUARTER 2007
RESULTS FOR SYDNEY AIRPORT

Macquarie Airports (MAp) today welcomes Sydney Airport's announcement of its results for the year ended 31 December 2007 (see below)[1].

Sydney Airport reported EBITDA (earnings before interest, tax, depreciation and amortisation) of A$608.6m (excluding specific expenses) for the year ended 31 December 2007, which represents an increase of 9.0% over the previous corresponding period (pcp). On an underlying basis, EBITDA of A$604.4m represented growth of 10.4% over the pcp.

SCACH (A$ '000)	Q4 2007	Q4 2006	% Change	Yr to 31 Dec 2007	Yr to 31 Dec 2006	% Change
Revenue	208,673	188,014	+11.0%	760,452	688,171	+10.5%
Other Income[2]	28	3,082	-	48	3,233	-
Operating costs	(39,180)	(33,976)	+15.3%	(151,893)	(133,062)	+14.2%
EBITDA (before specific expenses)	169,522	157,120	+7.9%	608,608	558,342	+9.0%
Specific expenses	(643)	(1,080)	-	(1,115)	(2,529)	-
EBITDA	168,879	156,040	+8.2%	607,493	555,813	+9.3%

[1] Results based on unaudited management accounts.
[2] Profit on sale of non current assets.

Macquarie Airports (MAp) CEO, Ms Kerrie Mather, said: “Sydney Airport has delivered a good result for 2007 with underlying EBITDA growth of over 10%. The result was driven by the recovery in international traffic which was sustained through the year and delivery of some important aeronautical and commercial initiatives.

“This progress will continue in 2008. Following delivery of new commercial agreements with the airlines and the completion of the T2 retail redevelopment in 2007, the maintenance of Sydney’s position as Australia’s premier gateway airport and a world class facility will be ensured by the currently underway International Terminal Redevelopment which includes upgraded baggage facilities, enhanced passenger processing and an improved retail experience. In addition, the International Multi-Storey Car Park – which will further enhance the range of car parking products available to passengers – is scheduled to open in mid-2008,” Ms Mather said.

Other key initiatives delivered in 2007 include:-

- Additional aircraft parking in the South West Sector and aerobridges for the A380.
- Opening of the new Qantas First Lounge and BP roadside service centre.
- Redevelopment of the Pier C airside Duty Free store, incorporating a walk-thru design and refurbishment of the Pier C airside food precinct which now includes a freestanding bar with upgraded seating and airfield views.
- Expansion of the range of products available Duty Free on arrival, which has met with an encouraging initial response.
- Introduction of on-line booking for car parking.
- Successful facilitation of APEC.

“Capital expenditure during 2007 was A$223m, with some A$199m in growth expenditure including facilities upgrades in readiness for the A380, acquisition of freight facilities, the International Multi-Storey Car Park and commencement of the International Terminal Redevelopment,” Ms Mather said.

Ms Mather also noted that total operating expenses per passenger in 2007, excluding security expenses and specific expenses, increased by 1.6% on the pcp.

Other key points to note from the full year results include:

- Aeronautical revenues (excluding security recovery) increased by 9.4% on pcp to A$306.8m, reflecting adoption of the new commercial agreements in the third quarter and new capital investment during the year.
- Retail revenues increased by 8.4% on pcp to A$174.3m.
- Operating costs, before specific expenses, per passenger increased by 7.3% on pcp to A$4.77. Excluding security expenses, operating costs per passenger increased by 1.6% on pcp. Note that the pcp benefited from approximately A$0.6m in non-recurring adjustments to the long service leave provisions post the departure of some senior staff and additional staff cost capitalisation.
- EBITDA, before specific expenses, per passenger increased by 2.5% on pcp to A$19.10.
- The results for 2006 and 2007 are impacted by a number of non-recurring items. For 2006, the most significant of these were the A$7.2m provision associated with the seawall rectification works, the A$3.0m profit on the sale of duty free fixtures and fittings and approximately A$0.6m in non-recurring cost benefits associated with the staff costs adjustments noted above. For 2007, the key item was some A$3.4m in net additional aeronautical revenue relating to completion of long term commercial agreements covering passenger traffic at Sydney Airport.

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MEDIA Release

www.sydneyairport.com

18 January 2008

Calendar Year to December 2007 financial results for Sydney Airport

Southern Cross Airports Corporation Holdings today announced a 9.0 per cent increase in earnings (excluding specific non-recurring expenses) for Sydney Airport for the calendar year to 31 December 2007.

Southern Cross Airports Corporation Holdings Limited (SCACH[1]) today announced an unaudited consolidated profit before depreciation and amortisation, net financing costs, income tax, and specific non-recurring expenses (EBITDA excluding specific non-recurring expenses) of $A608.6 million for the calendar year to 31 December 2007[2] (CY 2006: $A558.3 million). EBITDA (including specific non-recurring expenses) increased to $A607.5 million (CY 2006: $A555.8 million).

EBITDA (excluding specific non-recurring expenses) for the calendar year to 31 December 2007 represents a 9.0 per cent increase in earnings over the previous corresponding period (pcp). EBITDA (including specific non-recurring expenses) increased by 9.3 per cent on the pcp. Underlying EBITDA (excluding specific non-recurring expenses and adjusting for one time items) for the calendar year to 31 December 2007 represents a 10.4 per cent increase in earnings over pcp.

Total revenue growth for the calendar year of 10.5 per cent over pcp remained ahead of traffic growth of 6.4 per cent. Total operating expenses were 12.8 per cent higher than pcp, reflecting higher security operating costs which were recovered through higher aeronautical security revenues.

SACL Chief Executive Officer, Russell Balding said that the airport had achieved a good result for the calendar year to 31 December 2007.

“During 2007, the Airport handled 31.9 million passengers. Significant milestones were reached during the final quarter of the year with T2 averaging more than one million passengers per month during the fourth quarter and T1 handling more than 1 million passengers for the first time during the month of December 2007.”

“Aviation history was made when the world’s first commercial flight of the A380 touched down at Sydney Airport on 25 October 2007. Sydney Airport was the first airport in the world to accept a commercial flight from the new aircraft.”

1. SCACH is the parent company and controlling entity of Sydney Airport following the airport’s privatisation and trade sale transaction completed on 28 June 2002.
2. SCACH has moved its reporting to a calendar year basis in order to align with the reporting period of its major shareholder, Macquarie Airports.

"In 2008, there will also be a number of significant initiatives at the Airport to ensure that passengers continue to enjoy a world class facility. Construction has commenced on a major $500 million upgrade and expansion of the International Terminal at Sydney Airport to provide a better travel experience and improved facilities for passengers and the International Multi-Storey Car Park is scheduled to open mid-year providing improved parking choice. Consultation with airport stakeholders, including the local community, is underway prior to construction commencing on the sixth and final enhanced runway safety area, as mandated by the Civil Aviation Safety Authority," Mr Balding said.

Revenue

Total revenue from all business units rose 10.5 per cent over pcp to $A760.5 million (CY 2006: $A688.2 million). Both domestic and international traffic continued the trend of strong growth experienced during the first three quarters of the year. Route highlights in the fourth quarter included Jetstar's introduction of new services to Brisbane, Adelaide and the Gold Coast, Thai Airways introducing triple daily flights to Bangkok and Transaero's market entry on the Moscow – Hong Kong – Sydney route.

Aeronautical security recovery was higher than pcp, due to the implementation of Liquid Aerosols and Gels (LAGS) enhanced security measures and 100% checked baggage screening at the domestic terminal.

The redevelopment of the Duty Free store in airside Pier C to a walkthrough design has been completed, giving rise to a much brighter and vibrant travel retail experience. The refurbished Pier C airside food precinct now includes a new freestanding bar with upgraded seating and pleasant views to the airfield. Expansion of the range of products available Duty Free on arrival has met with an encouraging initial response.

There was continued growth in vehicle parking volumes at all car parking locations. Customers supported new parking products including long term valet parking at T1 and the internet based e-park product which were both successfully introduced in 2007. Construction of the eight storey car park for Sydney Airport's International Terminal (T1) is on track for a mid 2008 completion.

Property revenue was strong in the quarter reflecting the lease renewal for the fuel facility on airport and the acquisition of a 9,000m^2 freight facility. The latter is secured by a lease pre-commitment from a major freight company.

Other revenue was impacted by the absence of the seawall provision releases which occurred in the prior corresponding period of $2.5m in the quarter and $7.2m in YTD 2006. These releases were concluded in the quarter ended December 2006.

Operating Expenses

Total operating expenses including specific non-recurring expenses increased by 12.8 per cent on pcp to $A153.0 million (CY 2006: $A135.6 million), mainly attributable to additional recoverable costs in relation to enhanced security measures, increased labour costs and higher services and utilities costs. Total operating expenses excluding specific non-recurring expenses increased 14.2 per cent on pcp to $A151.9 million (YTD 2006: $A133.1 million).

Total operating expenses excluding recoverable security expenses and specific non recurring expenses increased by 8.1% over pcp to $A105.7 million (CY 2006: $A97.8 million).Total operating expenses per passenger excluding recoverable security expenses and specific non-recurring expenses increased by 1.6 per cent over pcp to $A3.32 per passenger (CY 2006: $A3.27 per passenger).

In 2006, there were approximately $1m of non-recurring cost benefits included in total operating expenses excluding recoverable security expenses and specific non recurring expenses.

Capital Expenditure

Total capital expenditure increased 26.2 per cent on pcp to $A223.2 million (CY 2006: $A176.9 million). Capital expenditure comprised maintenance expenditure of $A23.8 million and $A199.4 million in growth expenditure. Major items of spend for the calendar year to 31 December 2007 included the T1 Multi-Storey Car Park, facilities upgrades in readiness for the Airbus A380, acquisition of freight facilities and the T1 redevelopment.

Attachment: Financial Highlights

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Further information:

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SYDNEY AIRPORT FINANCIAL HIGHLIGHTS

Thousands	Q4 2007 SCACH Group	Q4 2006 SCACH Group	% change	CY 2007 SCACH Group	CY 2006 SCACH Group	% change
Quarter / Year to date - from:	01-Oct-07	01-Oct-06		01-Jan-07	01-Jan-06	
Quarter / Year to date - to:	31-Dec-07	31-Dec-06		31-Dec-07	31-Dec-06	
Revenues						
Aeronautical	86,875	77,235	12.5%	306,849	280,371	9.4%
Aeronautical security recovery	17,149	15,029	14.1%	68,490	50,796	34.8%
Retail	45,817	43,132	6.2%	174,328	160,878	8.4%
Property	28,184	23,703	18.9%	100,253	91,271	9.8%
Commercial trading	28,403	25,633	10.8%	105,587	94,650	11.6%
Other	2,246	3,282	-31.6%	4,946	10,205	-51.5%
Total revenues	**208,673**	**188,014**	**11.0%**	**760,452**	**688,171**	**10.5%**
Other Income						
Profit on sale of non current assets	28	3,082		48	3,233	
Operating expenses						
Labour	8,864	7,743	14.5%	35,862	33,721	6.3%
Services and utilities	22,633	17,907	26.4%	83,593	67,213	24.4%
Other operational costs	3,505	4,098	-14.5%	15,645	15,956	-1.9%
Property and maintenance	4,178	4,228	-1.2%	16,793	16,243	3.4%
Specific expenses:	643	1,080		1,115	2,529	
Loss on non current assets sold	0	0		0	-71	
Total operating expenses before specific expenses	**39,180**	**33,976**	**15.3%**	**151,893**	**133,062**	**14.2%**
Total operating expenses	**39,823**	**35,056**	**13.6%**	**153,008**	**135,591**	**12.8%**
EBITDA before specific expenses	**169,522**	**157,120**	**7.9%**	**608,608**	**558,342**	**9.0%**
EBITDA	**168,879**	**156,040**	**8.2%**	**607,493**	**555,813**	**9.3%**
Capital expenditure	**84,564**	**44,449**	**90.2%**	**223,174**	**176,903**	**26.2%**
$ per passenger measures						
Revenue	24.59	23.30	5.5%	23.86	22.98	3.9%
Operating expenses before specific expenses	4.62	4.21	9.6%	4.77	4.44	7.3%
Operating expenses	4.69	4.34	8.0%	4.80	4.53	6.1%
EBITDA before specific expenses	19.97	19.47	2.6%	19.10	18.64	2.5%
EBITDA	19.90	19.34	2.9%	19.06	18.56	2.7%
Capex	9.96	5.51	80.9%	7.00	5.91	18.6%

* Note: SCACH has adopted a financial year end to 31 December. These results are for the twelve months ended 31 December 2007.
** Note: Ground transport has been reclassified from Other Income to Commercial Trading.