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22 May 2008

**ASX RELEASE**

**MACQUARIE AIRPORTS  
ANNUAL GENERAL MEETING &  
DISTRIBUTION GUIDANCE FOR THE YEAR ENDING 31 DECEMBER 2008**



Please find attached the presentation given by MAp Chairman, Max Moore-Wilton, and MAp Chief Executive Officer, Kerrie Mather, at the MAp Annual General Meeting held today in Sydney.

In addition, MAp announces preliminary distribution guidance for the year ended 31 December 2008 of 27 cents per stapled security. This compares with a regular distribution of 26 cents per stapled security for the year ended 31 December 2007. A 13 cent interim distribution, to be paid in August 2008, was announced earlier today.

MAp Chief Executive Officer, Kerrie Mather, said "I am pleased to announce our preliminary distribution guidance of 27 cents per stapled security for 2008. MAp's core airports have continued to perform well in the first quarter of 2008, with airline marketing underpinning traffic growth and commercial initiatives underway across the portfolio."

The preliminary distribution guidance is subject to change due to the impact of shocks to the aviation industry or any material changes in forecast assumptions.

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# **MACQUARIE AIRPORTS**

**Annual General Meeting**

**22 May 2008**



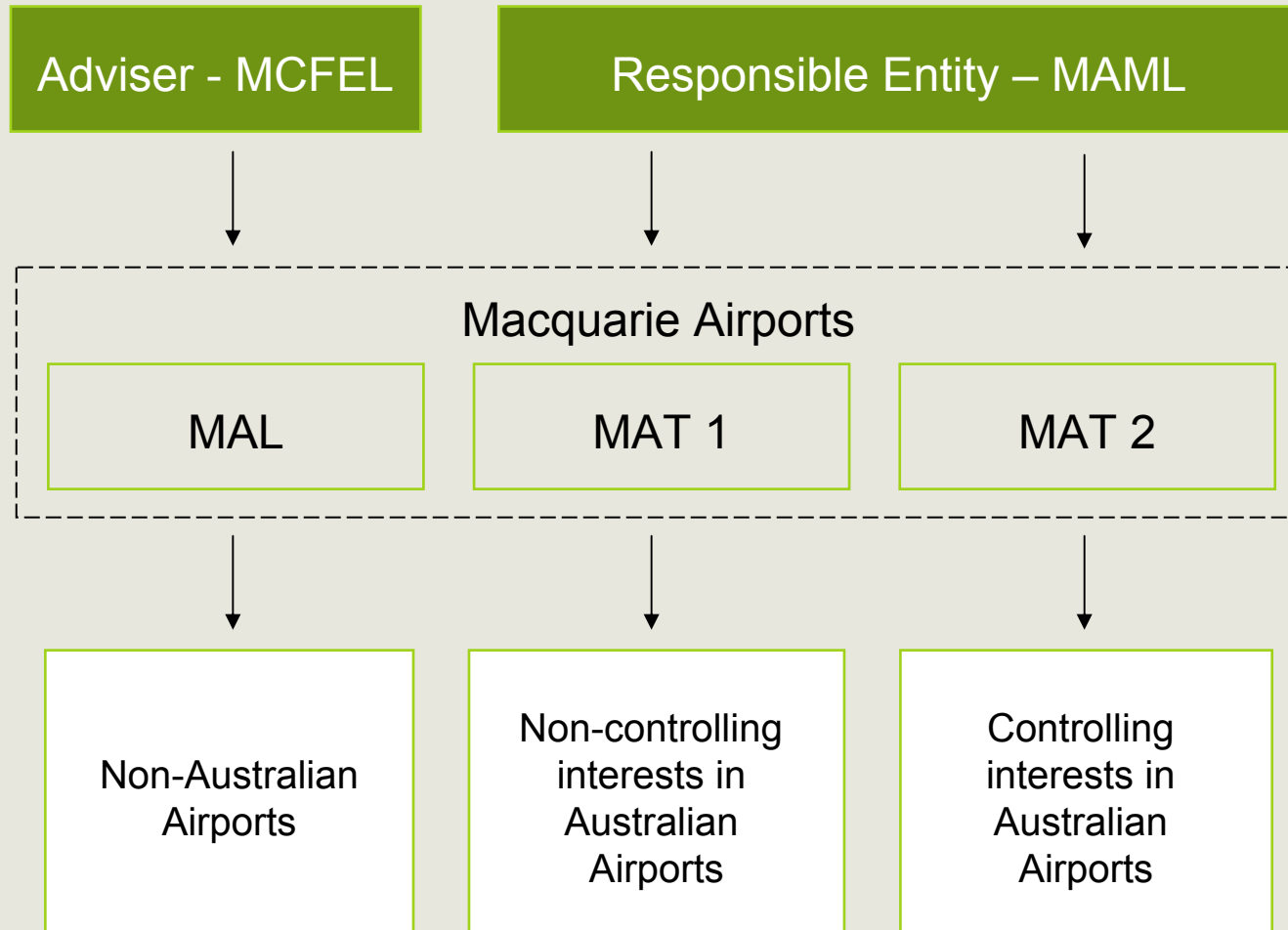
## Disclaimer

None of the entities noted in this document is an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of Macquarie Bank ABN 46 008 583 542 (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities.

## General Securities Warning

This presentation is not an offer or invitation for subscription or purchase of or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making an investment in MAp, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

Information, including forecast financial information, in this presentation should not be considered as a recommendation in relation to holding purchasing or selling shares, securities or other instruments in MAp. Due care and attention has been used in the preparation of forecast information. However, actual results may vary from forecasts and any variation may be materially positive or negative. Forecasts by their very nature, are subject to uncertainty and contingencies many of which are outside the control of MAp. Past performance is not a reliable indication of future performance.





# Board Members



- Max Moore-Wilton      Executive Chairman
- Trevor Gerber      Independent
- Bob Morris      Independent
- Michael Lee      Independent
- Michael Carapiet      Executive



# Meeting Agenda



- Chairman's Statement
- Chief Executive Officer's Report
- Resolutions
- Closure of Meeting
- Refreshments





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# **Chairman's Statement**

**Max Moore-Wilton**





# MMap Snapshot



*IRR Since IPO of 17.9% (post Corporate Expenses)<sup>1</sup>*

	April 2008	December 2002
Position in ASX	ASX 50	Top 200
Market Capitalisation	A\$5.4bn	A\$1.0bn
Number of Security Holders	36,700	15,546
Securities on Issue	1.7bn	942m
Foreign Ownership	38.0%	12.8%

<sup>1</sup> To 31 March 2008

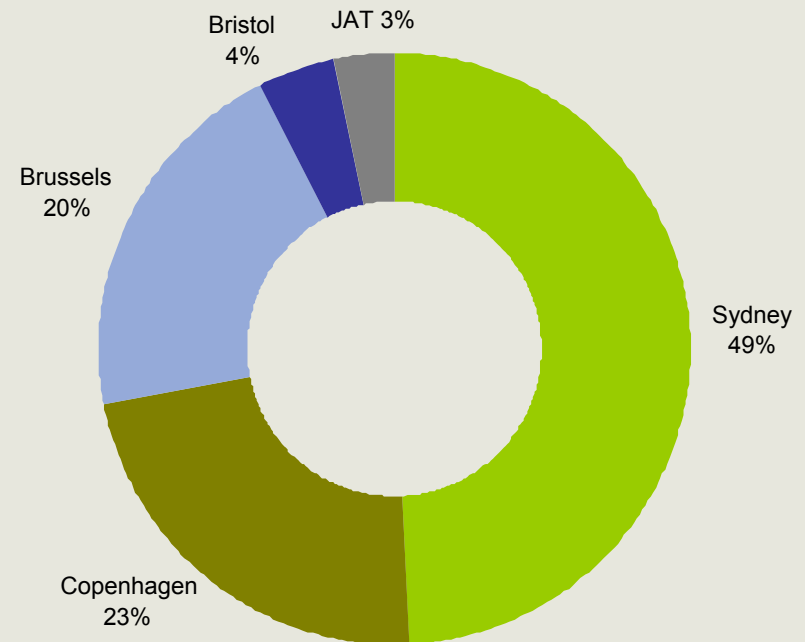
# MAp Portfolio Weightings



## *Portfolio Increased by 30.7% Without Raising Additional Equity*

- Brussels Airport:
  - Additional 8.2% interest
- Copenhagen Airports:
  - Additional 0.3% interest
- Bristol Airport (2Q08):
  - Additional 3.4% interest
- Rome & Birmingham divestments
- JAT Investment
- No additional equity raised

### Portfolio Weightings<sup>1</sup>

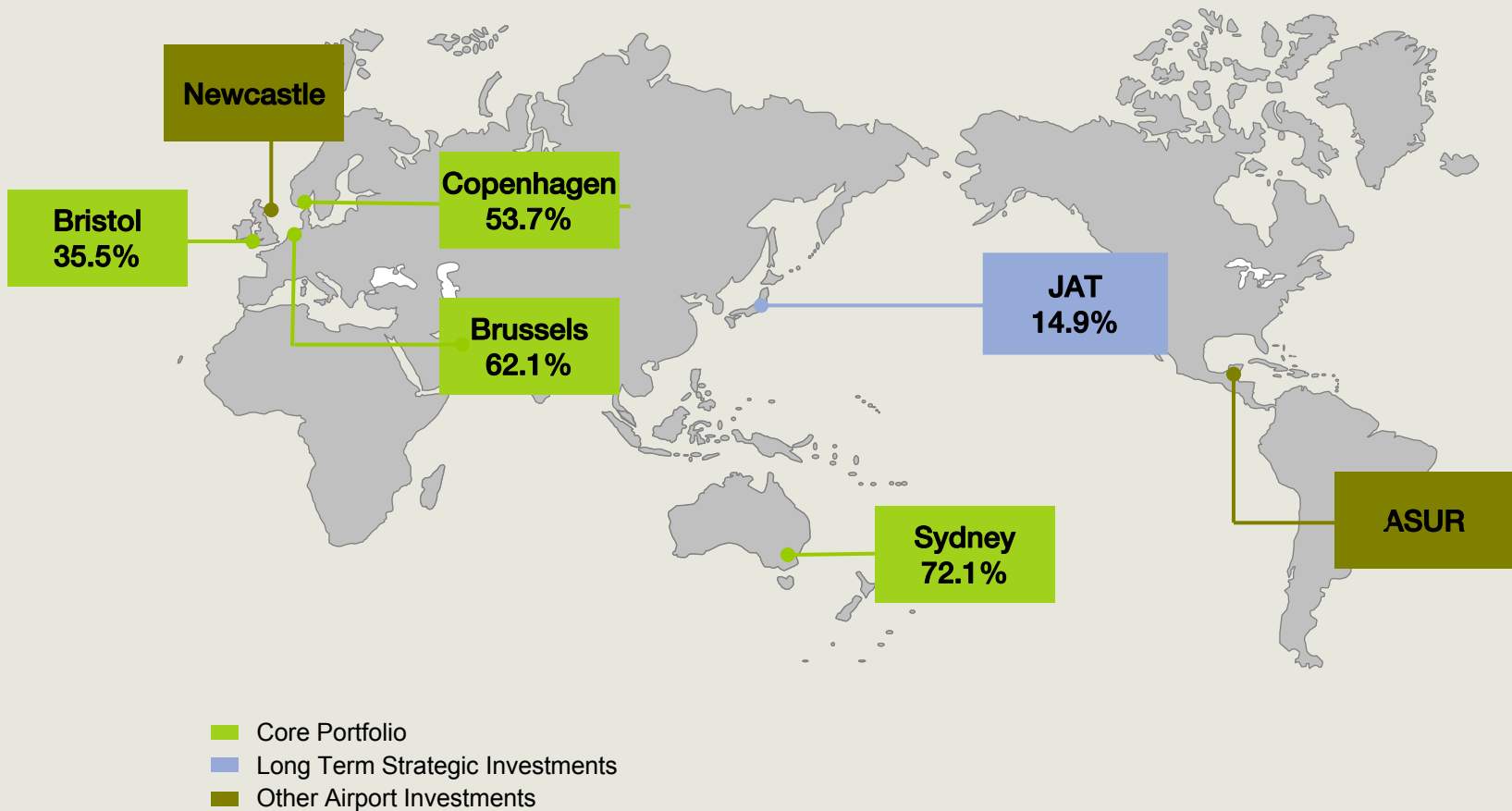


<sup>1</sup> Investment values based on shareholdings as at 31 Dec 2007 & MAp directors' valuations as at 31 Dec 2007

# Geographic Diversification



## *High Quality, Geographically Diversified Portfolio*





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# **Chief Executive Officer's Report**

**Kerrie Mather**



# Overview



- MAp Financial Results
- Security Price Performance
- Distributions
- Capital Management
- Performance of MAp's Airports
- Industry Developments & Trends
- Industry Outlook



# **MAp Financial Results**



# MAp Financial Results



## *Proportionate Earnings per Stapled Security Up 11% in 2007*

	Year to December 2007	Year to December 2006
Total airport investments	\$8,434.0m	\$7,221.8m
Asset backing attributable to investments per MAp Stapled Security	\$5.06	\$3.93
Proportionate consolidated airport asset EBITDA	\$920.1m	\$856.0m
Proportionate earnings per stapled security	19.5 cents	17.5 cents



# Security Price Performance



***Currently Trading at a ~35% Discount to NAB<sup>1</sup>***

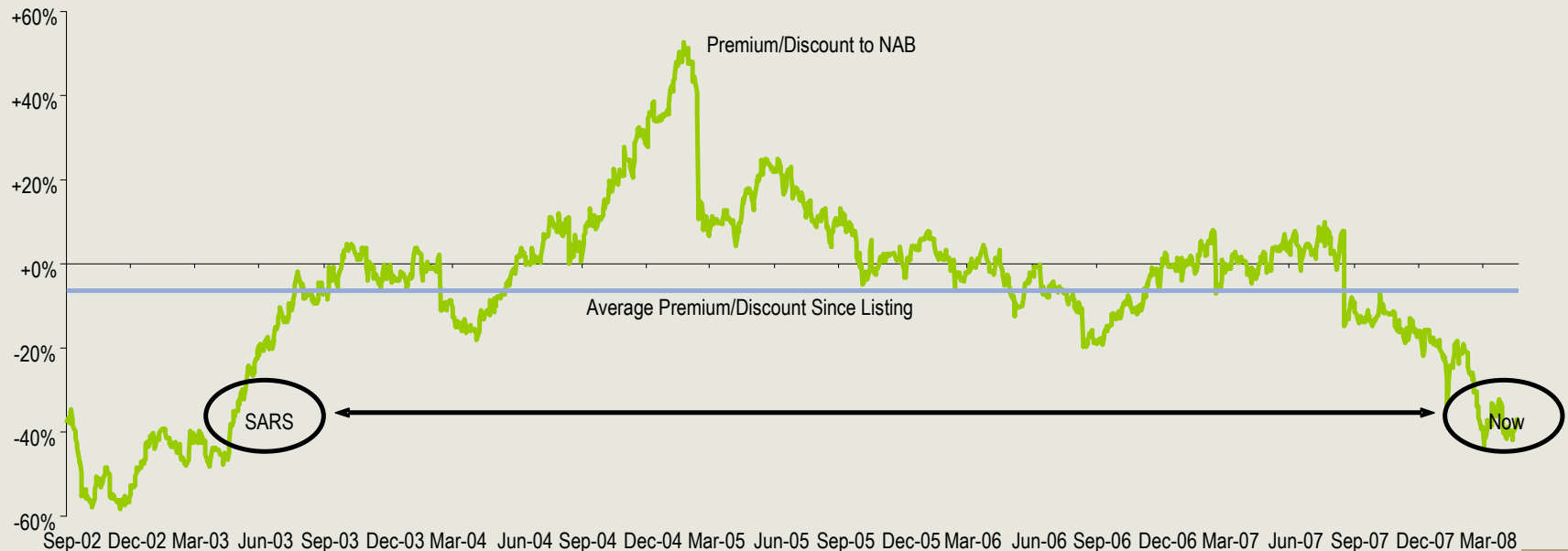
- Discount has not been this wide since SARS crisis in mid-2003
- Solid operating performance has continued

Market Capitalisation:  
A\$5.4bn

NAB<sup>1</sup>:  
A\$5.06

Foreign Ownership:  
38.0%

Number of Security Holders:  
36,700



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





# MMap Distributions



## *Growing Distributions Over Time*

- 2008 regular distribution guidance of 27 cents per security (increase of 1c over 2007)<sup>1</sup>
- Coverage of regular distribution by proportionate earnings increased to 75%
- Intention to broadly align regular distribution with operating earnings over next few years<sup>2</sup>



<sup>1</sup> Preliminary distribution guidance for 12 months to 31 Dec 2008 is subject external shocks to the aviation industry or any material changes in the forecast assumptions

<sup>2</sup> Subject to external shocks to the aviation industry or any material changes in forecast assumptions

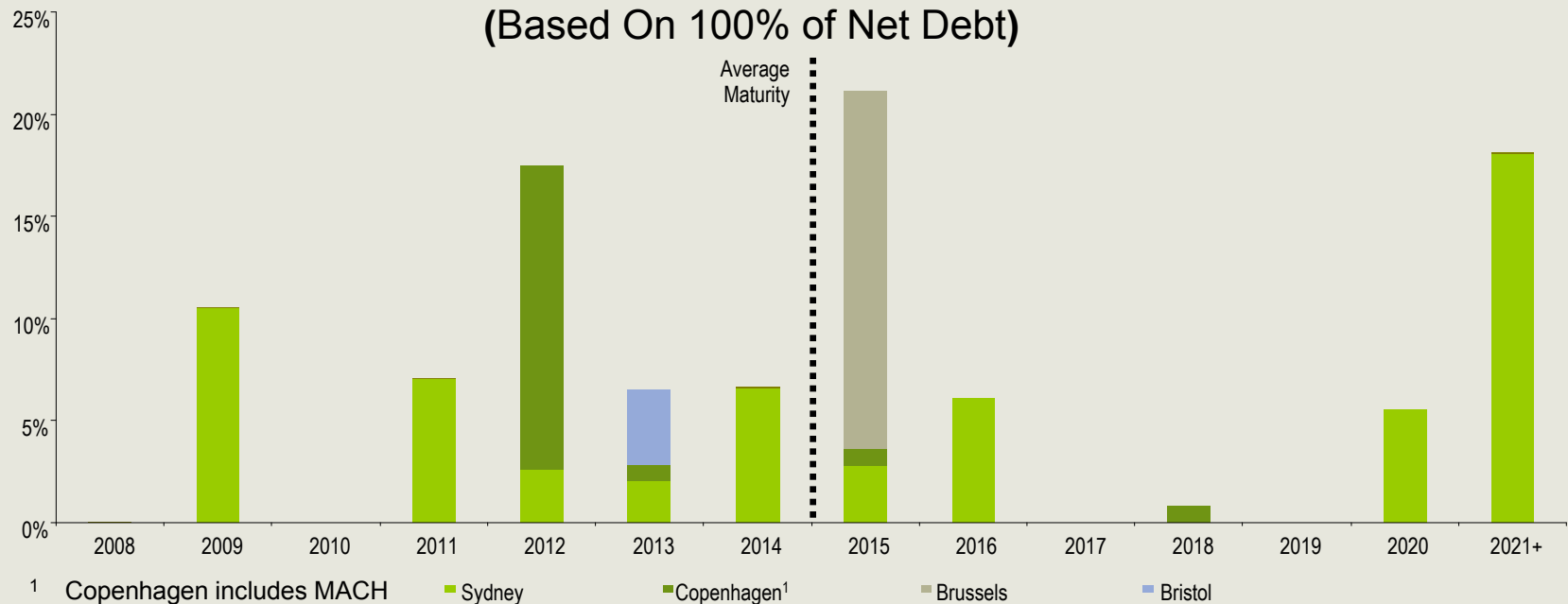
<sup>3</sup> Excludes special distribution of 5c



## *MAp has a Sound Financial Position*

- Debt at MAp's airports has an average maturity of 7yrs
- No need to refinance any debt until late 2009 (<10% of total debt)
- Substantial cash balance

### **Maturity Profile of Debt at the Core Assets (Based On 100% of Net Debt)**





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# **MAp Portfolio Operational Performance**



# Core Portfolio

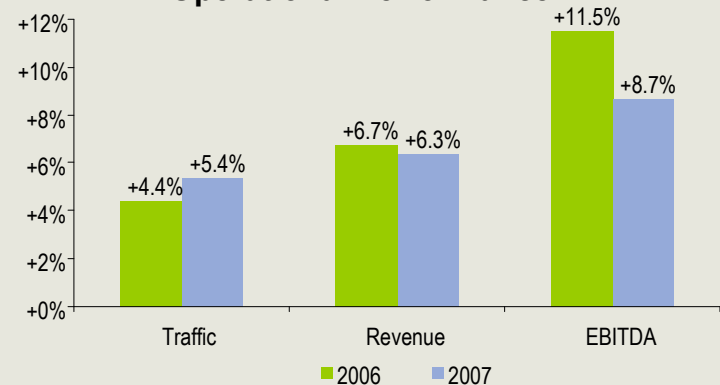
## 2007 Proportionate Performance



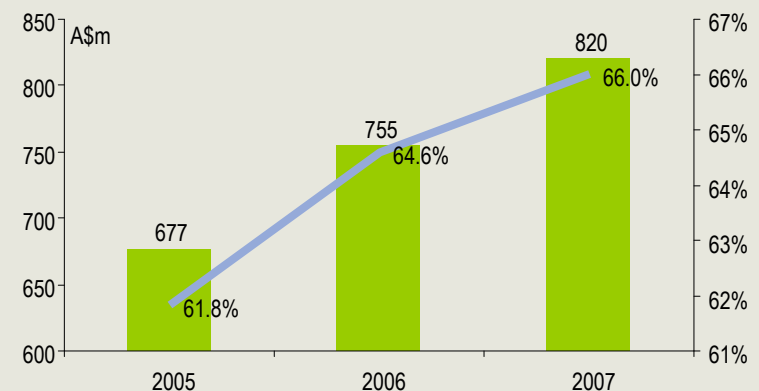
### 2007 Delivery on Target

- Traffic growth
  - Long term objective: 4%-5%
  - 2007 outturn: 5.4%
- Revenue growth
  - Long term objective: enhancement through commercial initiatives
  - 2007 outturn: 6.3% impacted by Copenhagen retail disruption
- EBITDA growth:
  - Long term objective: operational efficiencies add further incremental EBITDA
  - 2007 outturn: 8.7%
- EBITDA margin:
  - Improved to 66.0% from 64.6% despite increased security costs

#### Operational Performance<sup>1</sup>



#### Proportionate EBITDA & EBITDA Margin<sup>1</sup>

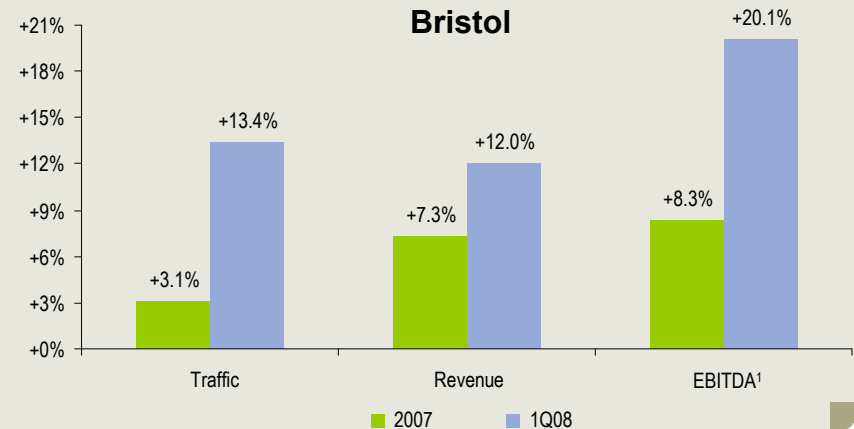
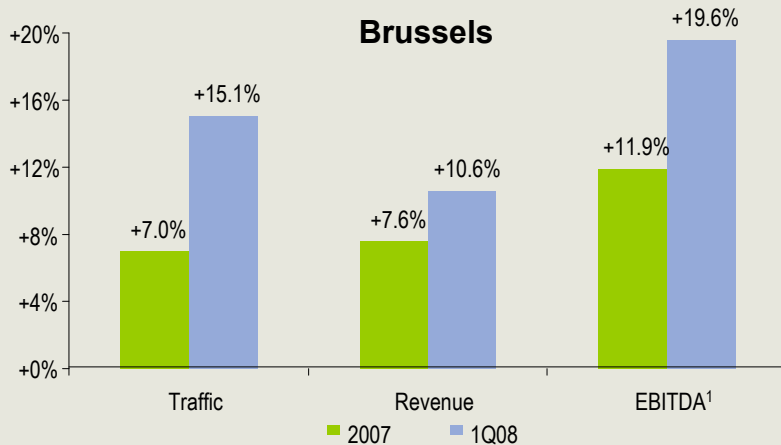
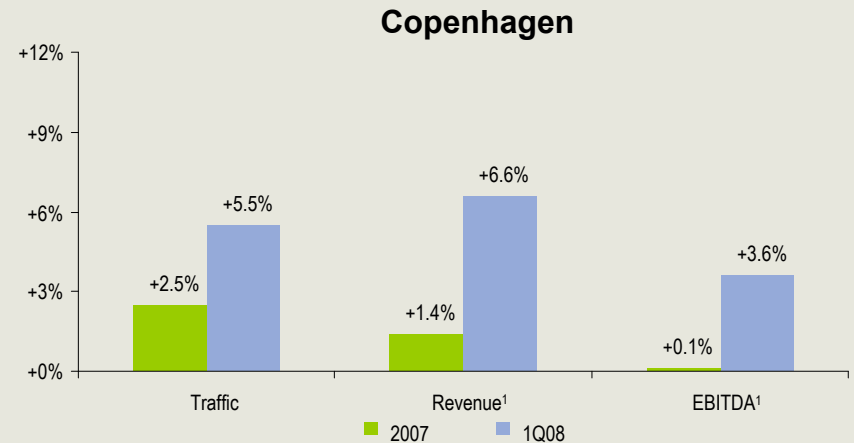
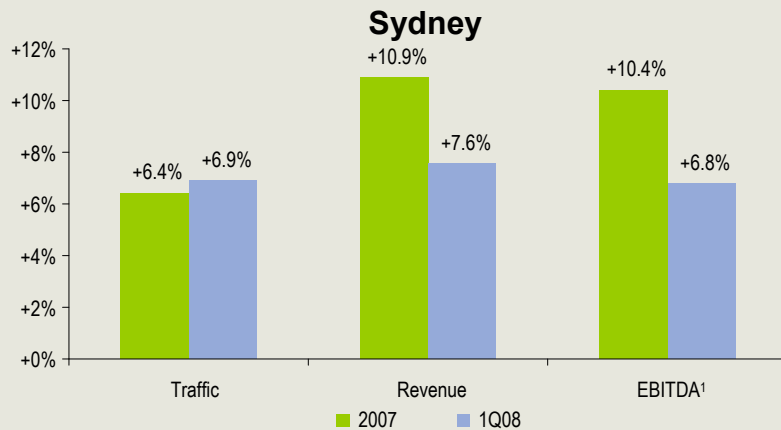


<sup>1</sup> Excluding Copenhagen specific items

# First Quarter Performance



## Solid First Quarter Performance Across Portfolio



<sup>1</sup> EBITDA before specific items



# **Industry Trends – Traffic Development**

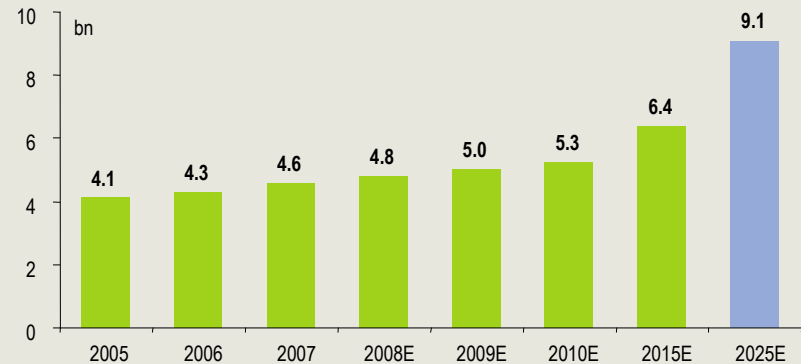
# Long Term Traffic Growth



## *Long Term Traffic Outlook is Positive*

- ACI forecasts support 4%-5% long term traffic growth
- Number of passengers per movement is forecast to increase by 20%
- Long term drivers of growth:
  - Continued LCC development
  - New aircraft technology
  - Increased air rights

**Projected Global Passenger Traffic**



Source: ACI

**Passenger Fleet Development 2007-2026**

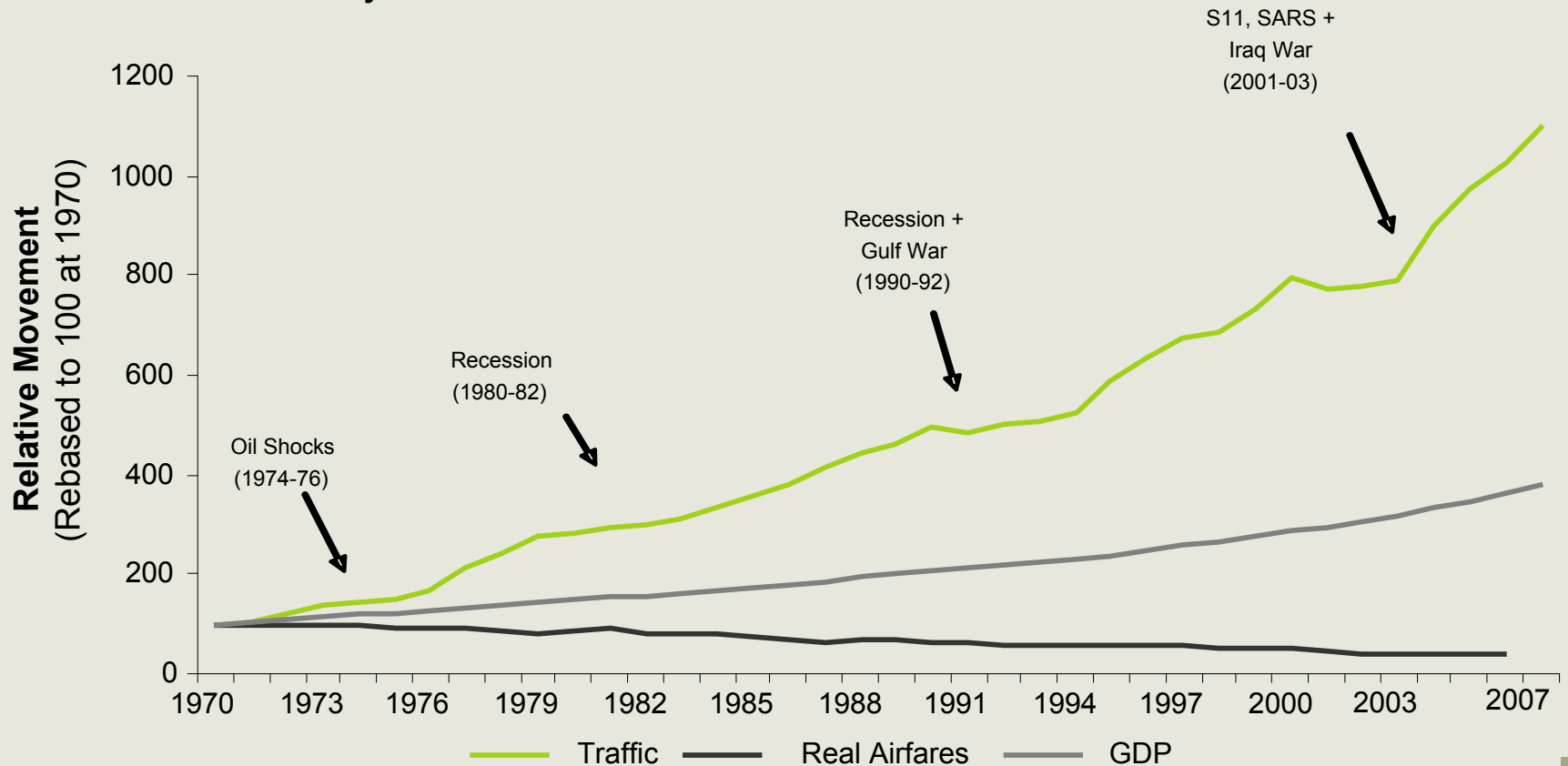
Passenger Fleet Development 2007-2026	% increase in number of aircraft
Regional (<100 seat) aircraft	43%
Single Aisle Aircraft	110%
Twin Aisle Aircraft	241%

# Airports are Resilient Businesses



## *Falling Real Airfares – As Important a Driver of Traffic Growth as GDP*

- Traffic always reverts to trend





# Example: US Open Skies



## *Substantial Increase in Services*

- Ability for Australian & US airlines to operate unlimited services between the two countries
- Major employment opportunities from increased trade & tourism
- Facilitates an increase in competition on a route historically dominated by Qantas
- Secured V Australia's inaugural services commencing December 2008
- Further opportunities for Sydney Airport
  - Increase in Qantas services (depth & breadth);
  - New Jetstar International services to Continental US;
  - US airlines wishing to commence/increase services to Australia.



# Example: Brussels' LCC Strategy



## *A Differentiated Product for a Differentiated Passenger Base*

- LCCs are the current growth engine of Intra-Europe aviation
- Refurbishment of old terminal building to create low cost facilities
- Differentiation in the passenger process chain
- Operational efficiencies
- Current LCC representation at Brussels Airport
  - 8 airlines, 16 destinations & 130 flights/week
  - 3% LCC market share
    - Average market share across Europe of 25%





## *An Industry-wide Commitment on Climate Change*

- Commitment to a pathway to carbon-neutral growth
- Involves adopting a four-pillar strategy developed by IATA & endorsed by ICAO:
  - Investment in new technology
  - Flying aircraft effectively
  - Building & operating efficient infrastructure
  - Using positive economic measures to reduce carbon emissions
- Requires government support & participation





## *MAp is Developing Appropriate Environmental Strategies at its Airports*

- Sydney Airport engaged Climate Friendly to determine its carbon footprint
  - Currently working with on-airport partners to develop strategies to reduce carbon emissions
- Copenhagen Airport targeting a 21% reduction in CO<sub>2</sub> emissions by 2012
- Studies at Brussels Airport to examine CO<sub>2</sub> emissions & energy efficiency
- Bristol Airport uses less electricity per passenger than any other UK airport
  - Further initiatives include a green tariff electricity supply contract, installation of a wind turbine & new car park buses meeting emissions standards





# Industry Trends – Commercial





## *Strong Commercial Partnerships at all Airports*

- Highly experienced retail team
- Customer driven strategy
- Improved quality of service, choice, convenience, value for money
- Strong commercial partner relationships

### Core Portfolio Scale

<b>Passengers</b>	<b>78m<sup>1</sup></b>
<b>Retail Space</b>	<b>50,000sqm</b>
<b>Outlets</b>	<b>370</b>
<b>Car Parks</b>	<b>56,000</b>

<sup>1</sup> Moving annual total to March 2008



# Example: Copenhagen Airport



## *Upgrading Passenger Processing and Shopping Experience*

	Previous	Current
<b>Security Points</b>	2	1 (centralised)
<b>Security Channels</b>	8	16
<b>Time of Processing</b>	> Times due to additional security measures	98% < 10mins
<b>Duty Free Retail Space</b>	2,700sqm	2,800sqm
<b>Sales per passenger</b>	Below potential	Growth of ~27%
<b>Patronage</b>	Poor customer flows – low patronage	Growth of ~5%



# Example: Sydney T1



## *The Redevelopment Prepares Sydney for the Next Generation of Growth*

- A single airside concourse & retail area combined with operational capacity expansion
- Latest technology & design in passenger processing
- New baggage system
- Increase in the retail offering
  - Food & beverage outlets to increase to 26 from 20
  - Specialty shops to increase to 56 from 46
- International multi-storey car park





# Customer Service: A Priority



## *MAp's Focus on Customer Service is Rewarded*

- MAp's airport businesses have received independent confirmation of our commitment to passenger service & quality
- MAp's approach seeks to balance operational effectiveness & passenger service



### **BRUSSELS AIRPORT**

Most  
Punctual  
Airport  
**2006**  
**2007**



### **COPENHAGEN AIRPORT**

Most Efficient  
Airport  
**2004**  
**2005**  
**2006**

**Condé Nast**

**2006/2007**

Top Ten  
International  
Airport



**skytrax**

**2006/2007**

Best Airport in  
Australia/  
Pacific Region





## *Fostering a Sense of Civic Pride*

- Airports contribute significantly to employment growth
- MAp has a strong focus on developing stakeholder partnerships at all of our airports:
  - Customers (airlines, on/off-airport businesses)
  - Governments (local, state & federal)
  - Community
- All our airports support local communities and the local environment

	Number of Jobs <sup>1</sup>
<b>Brussels</b>	60,000
<b>Copenhagen</b>	23,800
<b>Bristol</b>	2,800
<b>Sydney</b>	170,500
<b>Total</b>	<b>257,100</b>

<sup>1</sup> Direct & Indirect





# Industry Outlook



## *The Outlook for the Business Remains Strong*

- Unique & well developed operating model, experienced management team
- An excellent track record over the past five years
- Core portfolio remains in excellent shape & business remains resilient to shocks
- Liberalisation of air rights & LCC development balanced with environmental issues
- Initiatives identified to drive future growth
- Continue to examine value adding investment opportunities





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# **Chairman's Outlook**

**Max Moore-Wilton**





## *The Outlook For the Business Remains Strong*

- Traffic resilient to shocks – strong start to 2008
- Delivered EBITDA growth in 2007 of 8.7% & solid 1Q08
- Regular distribution guidance of 27 cents for 2008<sup>1</sup>
- Prudent capital management policies
- Leverage portfolio synergies, relationships & intellectual property
- Investment opportunities identified



<sup>1</sup> Preliminary distribution guidance for 12 months to 31 Dec 2008 is subject external shocks to the aviation industry or any material changes in the forecast assumptions

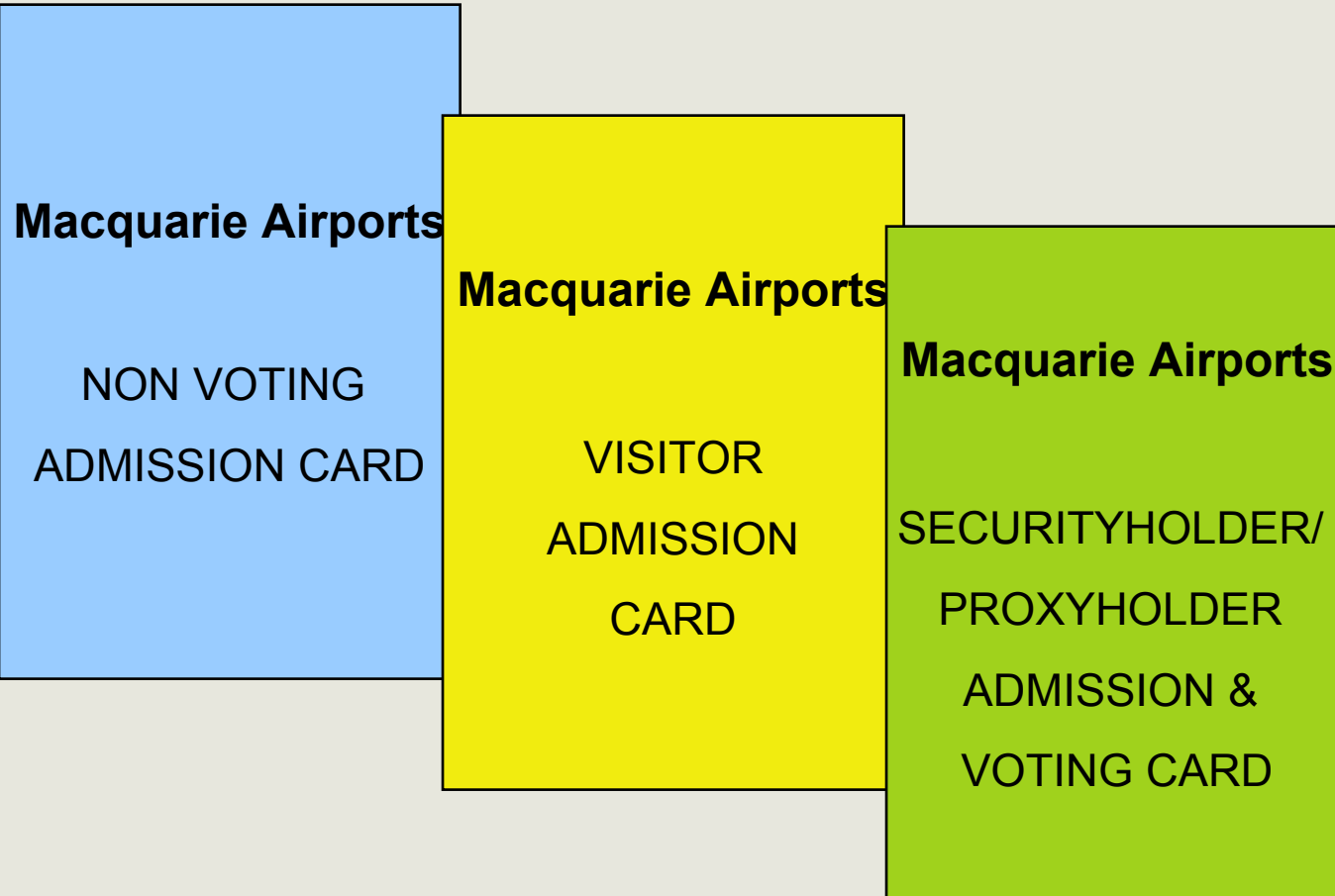


# **Formal Proceedings**

**Max Moore-Wilton**



# Voting Cards



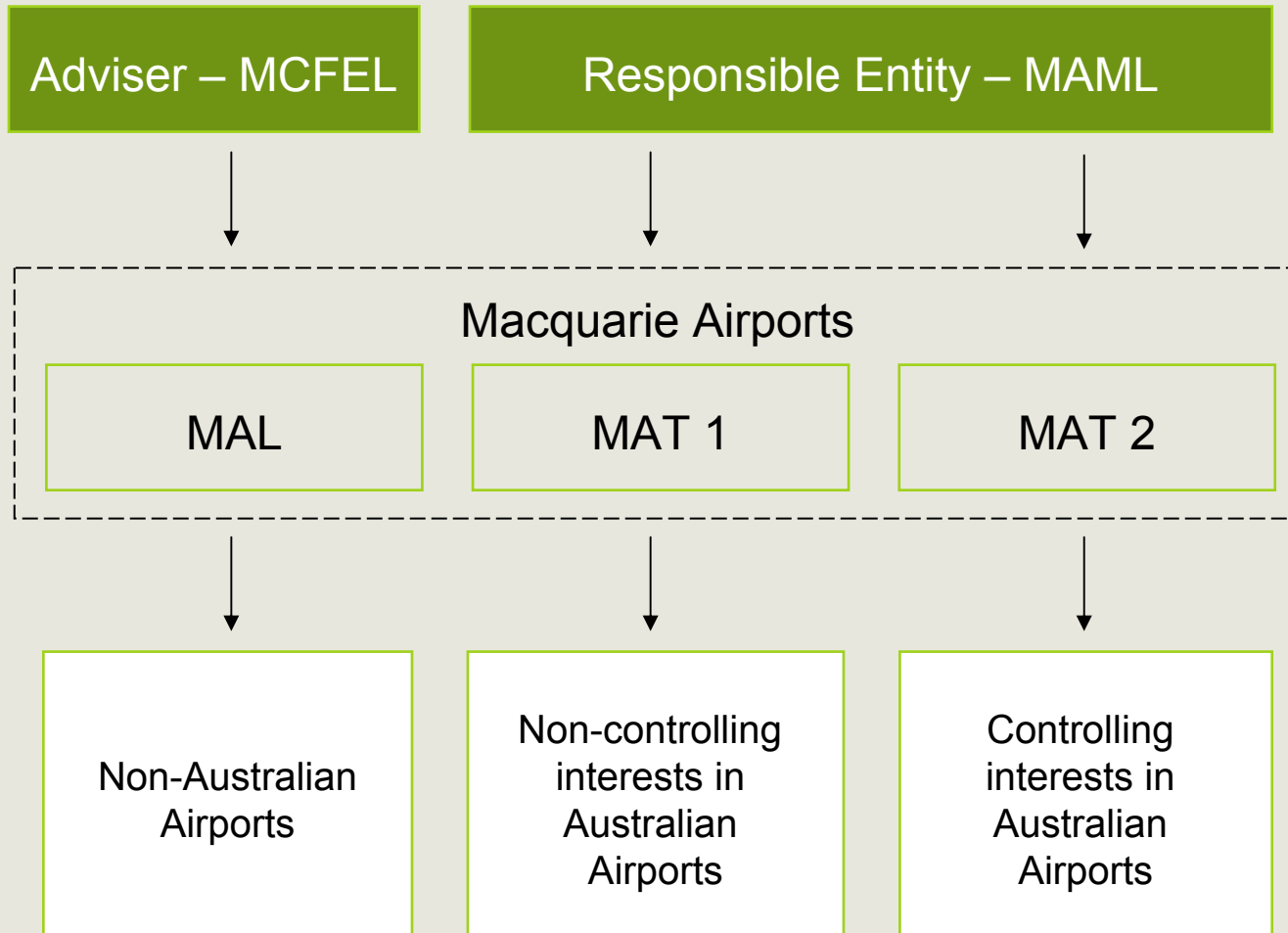




# Questions on Presentation



# MMap Structure





# Summary of Resolutions



- Receive MAL's 2007 audited financial statements (MAL Resolution 1)
- Re-appoint PricewaterhouseCoopers as MAL's auditors (MAL Resolution 2)
- Re-elect Stephen Ward as director of MAL (MAL Resolution 3)
- Approval of future issues of performance fee securities (MAL Resolution 4, MAT1/MAT2 Resolution 1)
- Adoption of new Bye-Laws & changes to MAT1/MAT2 constitutions (MAL Resolution 5, MAT1/MAT2 Resolution 2)



# Proxies Received



Resolution	Valid Proxies Received
MAL Resolution 1	2,401
MAL Resolution 2	2,410
MAL Resolution 3	2,397
MAL Resolution 4	1,927
MAL Resolution 5	2,344
MAT 1 Resolution 1	1,942
MAT 2 Resolution 1	1,934
MAT 1 Resolution 2	2,341
MAT 2 Resolution 2	2,335

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Total number of securities on issue is 1,718,653,539



# MAL Resolution 1



- **Receive MAL's 2007 audited financial statements (MAL Resolution 1)**
- Re-appoint PricewaterhouseCoopers as MAL's auditors (MAL Resolution 2)
- Re-elect Stephen Ward as director of MAL (MAL Resolution 3)
- Approval of future issues of performance fee securities (MAL Resolution 4, MAT1/MAT2 Resolution 1)
- Adoption of new Bye-Laws & changes to MAT1/MAT2 constitutions (MAL Resolution 5, MAT1/MAT2 Resolution 2)



# MAL Resolution 2



- Receive MAL's 2007 audited financial statements (MAL Resolution 1)
- **Re-appoint PricewaterhouseCoopers as MAL's auditors (MAL Resolution 2)**
- Re-elect Stephen Ward as director of MAL (MAL Resolution 3)
- Approval of future issues of performance fee securities (MAL Resolution 4, MAT1/MAT2 Resolution 1)
- Adoption of new Bye-Laws & changes to MAT1/MAT2 constitutions (MAL Resolution 5, MAT1/MAT2 Resolution 2)



# MAL Resolution 3



- Receive MAL's 2007 audited financial statements (MAL Resolution 1)
- Re-appoint PricewaterhouseCoopers as MAL's auditors (MAL Resolution 2)
- **Re-elect Stephen Ward as director of MAL (MAL Resolution 3)**
- Approval of future issues of performance fee securities (MAL Resolution 4, MAT1/MAT2 Resolution 1)
- Adoption of new Bye-Laws & changes to MAT1/MAT2 constitutions (MAL Resolution 5, MAT1/MAT2 Resolution 2)





# MAL Resolution 4

## MAT 1 / MAT 2 Resolution 1



- Receive MAL's 2007 audited financial statements (MAL Resolution 1)
- Re-appoint PricewaterhouseCoopers as MAL's auditors (MAL Resolution 2)
- Re-elect Stephen Ward as director of MAL (MAL Resolution 3)
- **Approval of future issues of performance fee securities (MAL Resolution 4, MAT1/MAT2 Resolution 1)**
- Adoption of new Bye-Laws & changes to MAT1/MAT2 constitutions (MAL Resolution 5, MAT1/MAT2 Resolution 2)



# MAL Resolution 5

## MAT 1 / MAT 2 Resolution 2



- Receive MAL's 2007 audited financial statements (MAL Resolution 1)
- Re-appoint PricewaterhouseCoopers as MAL's auditors (MAL Resolution 2)
- Re-elect Stephen Ward as director of MAL (MAL Resolution 3)
- Approval of future issues of performance fee securities (MAL Resolution 4, MAT1/MAT2 Resolution 1)
- **Adoption of new Bye-Laws & changes to MAT1/MAT2 constitutions (MAL Resolution 5, MAT1/MAT2 Resolution 2)**



# Questions on Resolutions





# Proxy Results



	For	Against	Undirected	Abstain	Excluded <sup>1</sup>
MAL Resolution 1	1,088,072,899	1,876,624	10,111,573	11,700,699	-
MAL Resolution 2	1,061,398,159	38,396,845	10,061,068	1,905,773	-
MAL Resolution 3	1,096,335,770	4,270,893	10,107,272	1,047,910	-
MAL Resolution 4	723,687,847	7,248,901	4,788,009	4,983,988	368,526,116
MAL Resolution 5	1,090,590,955	5,493,168	10,149,774	5,527,948	-
MAT 1 Resolution 1	727,163,417	3,629,996	4,808,729	5,156,574	368,526,116
MAT 2 Resolution 1	727,069,072	3,653,233	4,820,053	5,183,213	368,526,116
MAT 1 Resolution 2	1,094,586,124	1,315,215	10,094,411	5,766,095	-
MAT 2 Resolution 2	1,094,566,625	1,304,398	10,130,257	5,760,565	-

Total number of securities on issue is 1,718,653,539

<sup>1</sup> MAL, MAML, MCFEL and their associates (including their directors and MGL) are excluded from voting on MAL Resolution 4 and MAT 1 / MAT 2 Resolutions 1.





# Voting





# Destruction of Proxy Forms/Voting Papers





# **MACQUARIE AIRPORTS**

**Annual General Meeting**

**22 May 2008**