



MAP

MACQUARIE AIRPORTS

A WORLD CLASS AIRPORT PORTFOLIO

SEPTEMBER 2003



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MAp

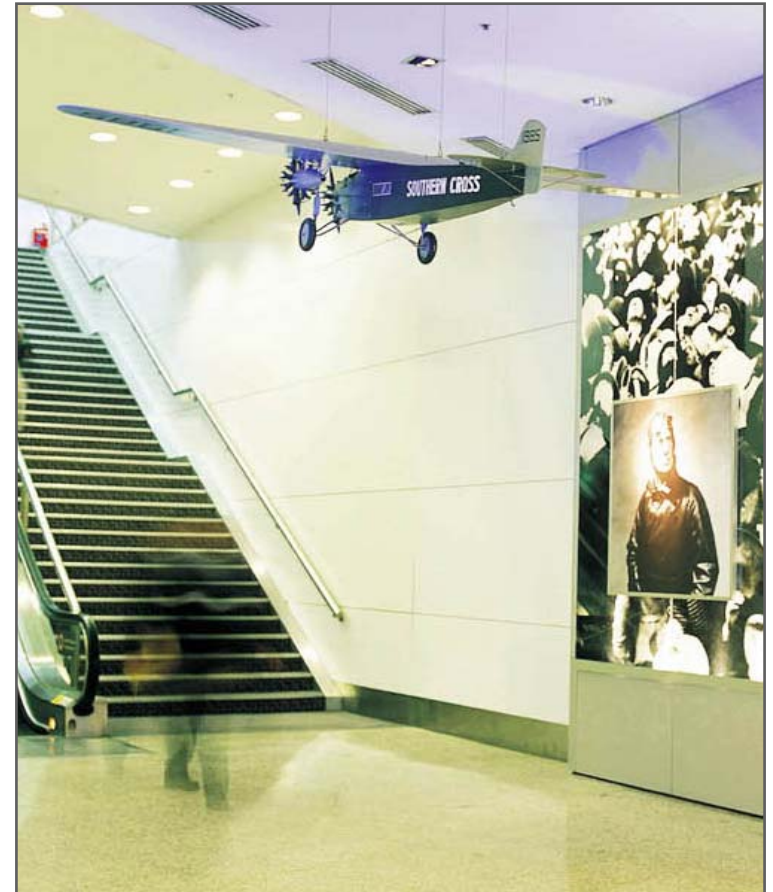


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MMap Background

- ▶ Australian listed airports fund managing investments in a high quality portfolio of airports
- ▶ IPO on the Australian Stock Exchange in April 2002
- ▶ 979 million securities issued at weighted average price of \$1.76
- ▶ Current market cap A\$1.6bn
- ▶ Current dividend yield 4.9%

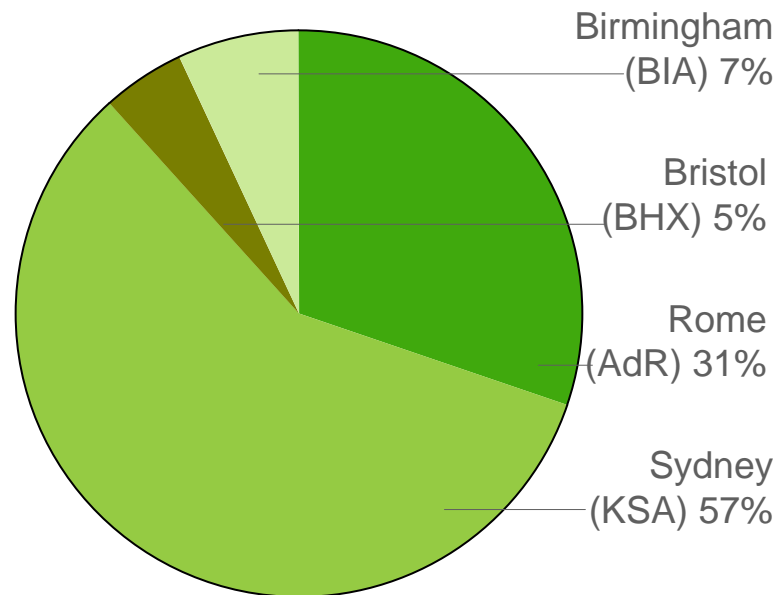




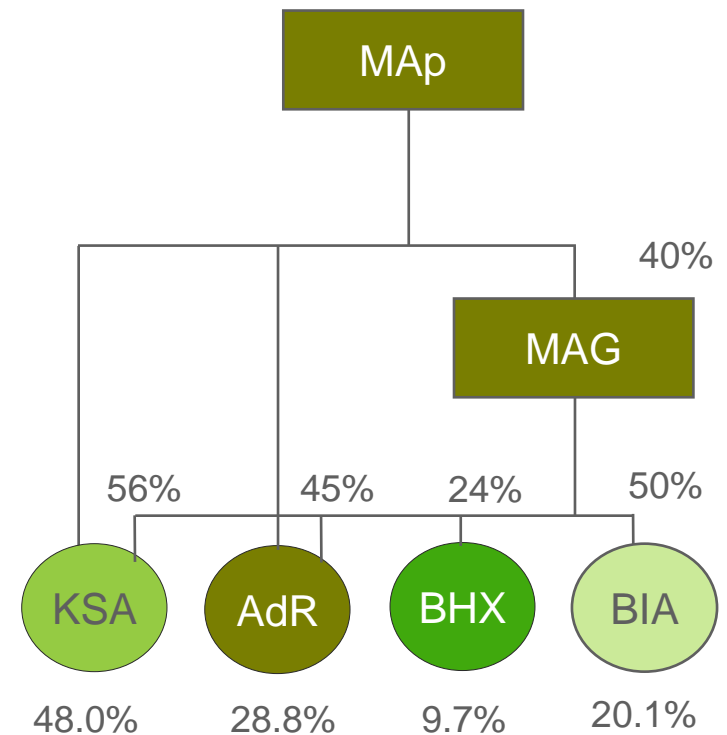
MAp's Assets

- ▶ MAp has a balanced portfolio of significant airport investments:

MAp's Portfolio



MAp's Shareholdings



Why We Invest In Airports

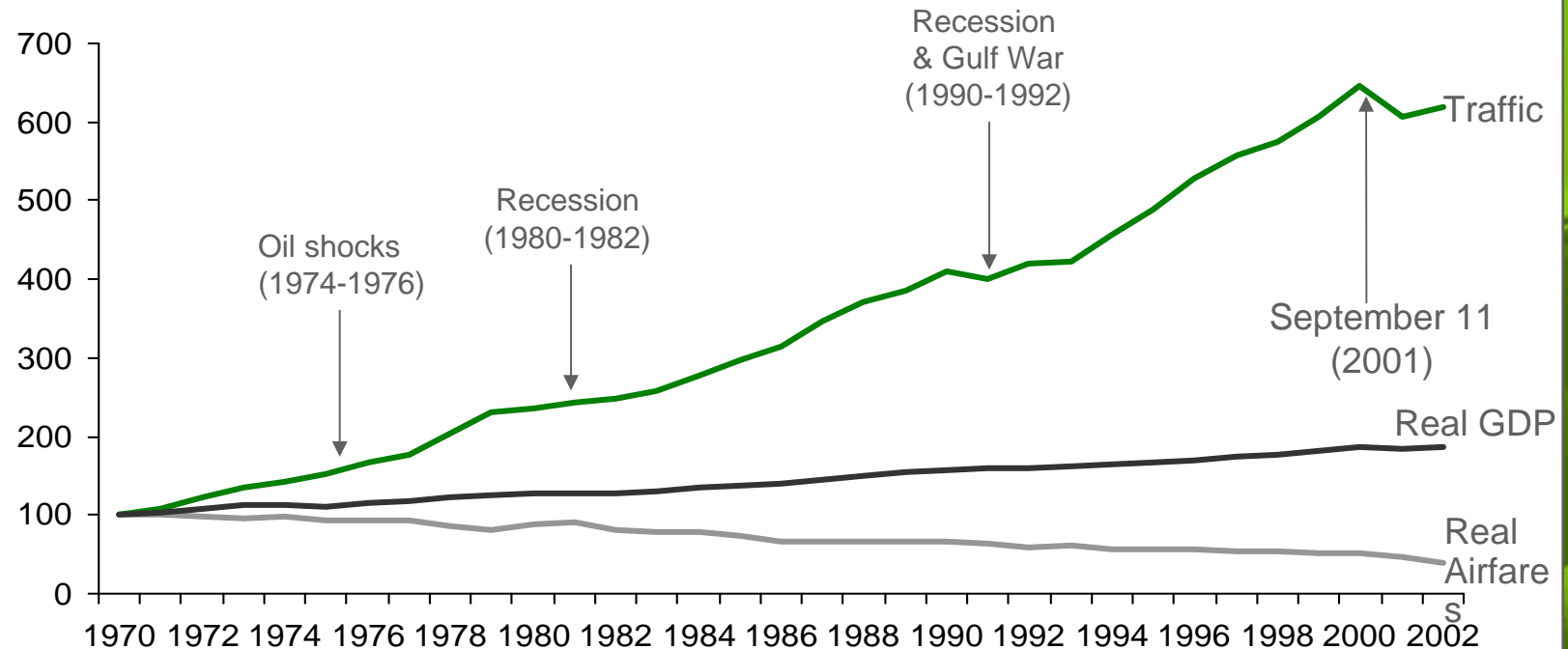
► Airports are attractive investments:

- High barriers to entry
- Sector experiencing long term growth with defensive qualities
- Strong commercial opportunities exist to grow revenue per passenger
- Margin growth and volume increases compound to give strong earnings growth
- Trend towards favourable regulation ensures airport shareholders benefit from revenue & earnings growth
- Ability to increase value from infrastructure investment model – periodic matching of increasing earnings with active management of capital structure

MAp's Airports have strong growth potential:

Market Growth 2 x GDP

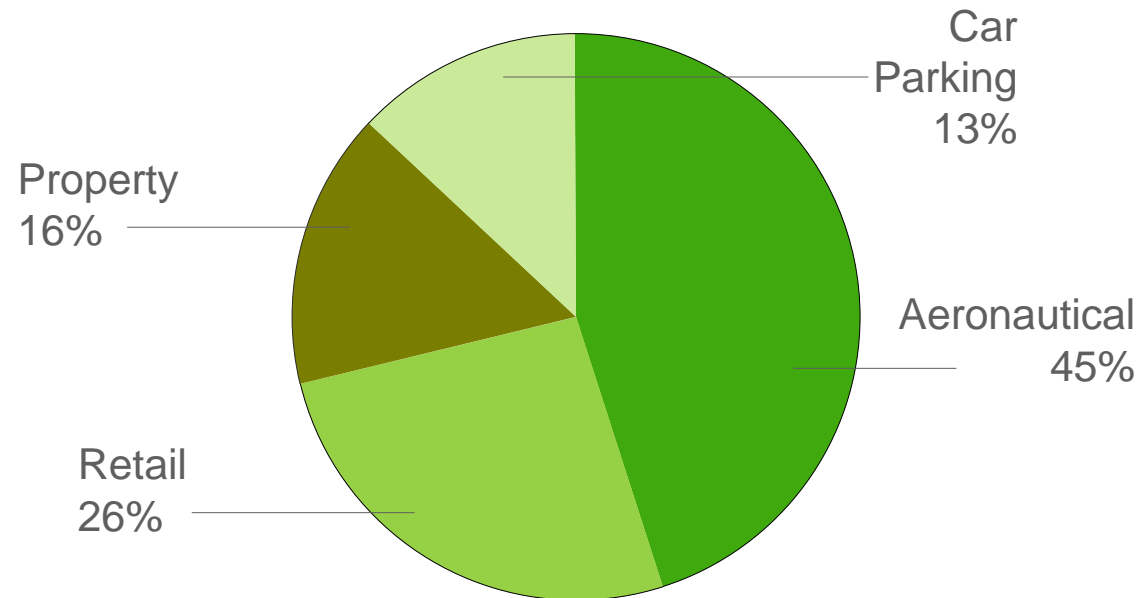
- ▶ Growth driven by economic growth and liberalisation of airlines
- ▶ Resilience to world economic and political shocks



MMap's model focuses on commercial potential:

Revenues from Diverse Businesses

- ▶ Commercial activities offer ability to enhance returns and are often undervalued
- ▶ MMap's airport specialists add value in commercial areas



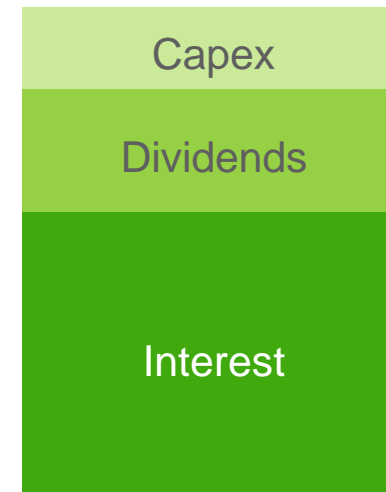


MAp uses its financial structuring skills to implement efficient capital structures

- ▶ Strong and growing earnings + low capex = efficient capital structure using project finance techniques
- ▶ Efficient capital structure = greater cash to security holders
- ▶ The airports have adequate safety buffers in their debt obligations



Typical Airport Structure
50% of EBITDA available to capital providers



MAp Airport Structure
90% of EBITDA available to capital providers

MAp's Airports have lower capex

- ▶ We invest in airports with high quality facilities and capacity for growth, therefore, low capex is required
- ▶ Strong argument for high % of debt funding of growth capex

Asset Group	Capacity
Runways / Taxiways	Capacity for 20 years +
Terminal / Aprons	Generally about 50% passenger growth before capacity problems
Commercial	Very low capex/quick payback
Buildings, Pavement and Infrastructure	Asset lives of 50 years+
Property	Low capex, ground rent model, additional investment on return criteria

MAP's Active Investor Model

TYPICAL MODEL



MACQUARIE MODEL



- ▶ Unique combination of airport specialists and infrastructure investment experts = active and informed investor
- ▶ MAp uniquely placed to work with airport management's strategic decision-making process through:
 - Strategy committee, working groups, benchmarking performance
- ▶ MAp uniquely placed to work with airport's financial decisions via:
 - Revenue and cost benchmarking across industry and portfolio, active capital management, active working capital management



Macquarie's Airport Specialists - Airport Business Planning/Finance Experience

- ▶ MAp's executives have over 200 combined years of direct airport experience
- ▶ Unique financial management expertise in both infrastructure investment and airport financial management
- ▶ 20 Senior Executives located in Sydney, London, Rome

International Airport Experience

UK

- ▶ Birmingham
- ▶ Bournemouth
- ▶ Cardiff
- ▶ Bristol
- ▶ Humberside
- ▶ Luton
- ▶ Manchester
- ▶ Heathrow
- ▶ Stansted
- ▶ Gatwick
- ▶ NATS

Other Europe

- ▶ Berlin
- ▶ Dusseldorf
- ▶ Hanover
- ▶ Portugal/AN
- ▶ Rome/AdR
- ▶ Stockholm
- ▶ Athens
- ▶ SITA

Other

- ▶ Australia
- ▶ South Africa
- ▶ Ghana
- ▶ Mozambique
- ▶ Stewart, USA
- ▶ Niagara, USA
- ▶ Christchurch
- ▶ Jamaica
- ▶ Barbados
- ▶ Trinidad
- ▶ Mexico
- ▶ El Salvador

- ▶ Argentina

Investment Criteria

- ▶ Strong market position and potential to expand market share (high percentage of origin and destination traffic)
- ▶ Underdeveloped retail & commercial opportunities
- ▶ Significant shareholdings available
- ▶ Significant surplus capacity / lower capex requirements
- ▶ Potential to increase returns to equity via capital structure
- ▶ Capable operational management

Sourcing Investments

- ▶ **Sydney** - Primary Trade Sale
 - ▶ **Bristol** – Secondary Trade Sale
 - ▶ **Rome** – Secondary Trade Sale
 - ▶ **Birmingham** –Secondary Trade Sale
- } Uncontested sales processes
- ▶ Extensive network of contacts and relationships provide continual access to new opportunities
 - ▶ Large number of possible investments rejected, MAp has looked at approximately 40 opportunities
 - ▶ Macquarie relationship gives MAp access to an extensive financial advisory and capital management skill base. It also enables MAp to rapidly source and thoroughly evaluate new opportunities

Case Study - Sydney

Sydney

► Background to Purchase

- Commonwealth Government trade sale in June 2002

► Cost

- The final cost for Sydney Airport was A\$5.6b including terminal 2.

► Funding

- A\$3,268 million in Senior debt
- A\$600 million FLIERS (Hybrid Securities)
- A\$2,015 million in Equity

► Prospectus Forecasts

- FY03 EBITDA forecast \$377.4m on 9.3m international passengers
- Actual FY03 EBITDA \$378.1 on 8.2m international passengers, despite SARS, Iraq war and the Bali terrorist attack

MAP

Case Study – Sydney Airport

► Key Strategies Implemented

Change Agent - Reorganisation of management

- Reorganisation in progress reducing employee numbers by 40%
- Appointment of new Executive Chairman and CEO

Commercial Activities

- Major duty free expansion and other retail initiatives
- Car parking: new products (eg; valet, long stay and quick park)

Airline Marketing

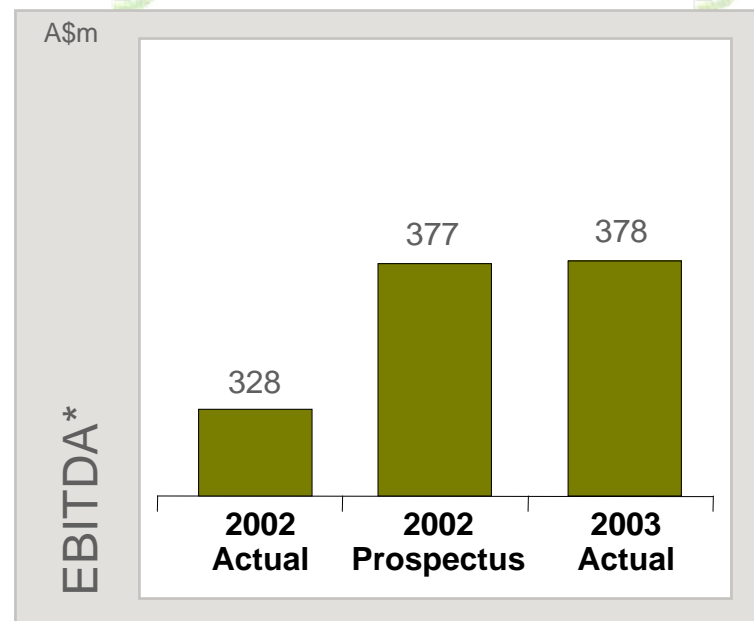
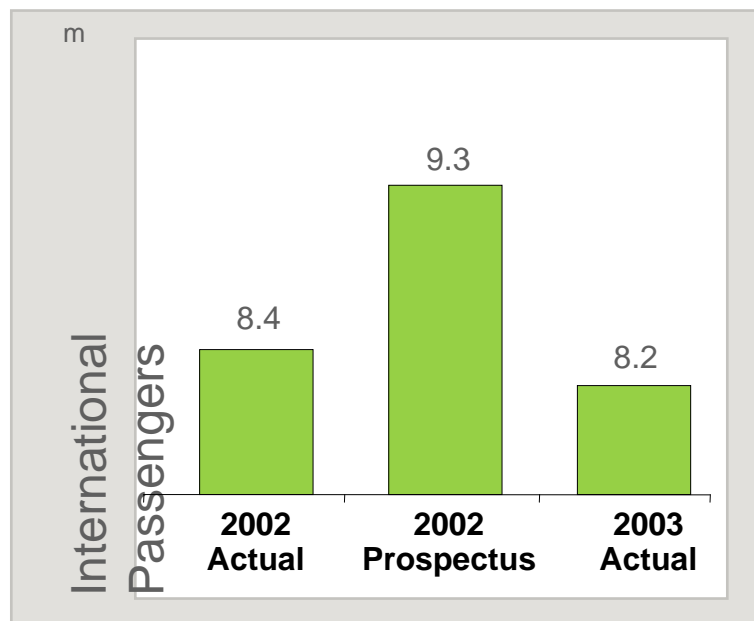
- Attract new airlines and expansion of existing services (eg; China Air services, Gulf Air, Emirates and Australian Airlines)

Property

- Multi-storey office building
- Other developments in progress (eg F1 Hotel, DHL and Krispy Kreme Donuts)

Results to date

Sydney



- ▶ EBITDA in 02/03 increased 15.2% despite only a 1.2% increase in total passengers
- ▶ EBITDA per passenger increased 14% from \$13.75 to \$15.66 on pcp
- ▶ Revenue per Passenger – increased 9.1% on the pcp to \$20.75
- ▶ Increased contribution from the former Ansett Terminal from January 2003 supporting strong earnings growth
- ▶ Cost Reduction initiatives implemented throughout the financial year increasing EBITDA margins
- ▶ Business is positioned to maximise earnings growth from increases in traffic levels

NB: All figures for year ending June / * - before specific expenses

Conclusion

- ▶ Only listed investment fund in the world which specialises in airports and has a truly global airport portfolio
- ▶ High quality airports with strong growth characteristics:
 - Traffic growth potential
 - Good commercial opportunities
 - High quality facilities with surplus capacity
 - High EBITDA margins
 - Map has significant shareholdings
- ▶ Quality of MAp's management team – over 200 combined years of global airport management and airport financial advisory experience