SYDNEY AIRPORT FINANCIAL HIGHLIGHTS *

Thousands	Q1 2006 SCACH Group	Q1 2005 SCACH Group	% change
Revenues			
Aeronautical	65,798	62,547	5.2%
Aeronautical security recovery	11,169	8,384	33.2%
Retail	38,283	35,310	8.4%
Property	20,515	19,263	6.5%
Commercial trading	20,799	19,559	6.3%
Other	4,092	3,634	12.6%
Proceeds from sale of non-current assets	-40	27	-247.3%
Total revenues	**160,616**	**148,724**	**8.0%**
Operating expenses			
Labour	8,967	8,250	8.7%
Services and utilities	17,788	14,460	23.0%
Other operational costs	3,639	3,868	-5.9%
Property and maintenance	3,176	3,327	-4.5%
Specific expenses:			
Redundancy and restructuring	177	111	
Airline regulatory action	0	752	
Cost of non-current assets sold	71	20	
Total operating expenses before specific expenses	**33,641**	**29,925**	**12.4%**
Total operating expenses	**33,818**	**30,788**	**9.8%**
EBITDA before specific expenses	**126,975**	**118,799**	**6.9%**
EBITDA	**126,798**	**117,936**	**7.5%**
Capital expenditure	**55,051**	**19,843**	**177.4%**
$ per passenger measures			
Revenue	$21.97	$20.93	5.0%
Operating expenses before specific expenses	$4.60	$4.21	9.3%
Operating expenses	$4.63	$4.33	6.8%
EBITDA before specific expenses	$17.37	$16.72	3.9%
EBITDA	$17.34	$16.60	4.5%
Capital expenditure	$7.53	$2.79	169.7%

* Note: Sydney Airport will move to reporting under A-IFRS in its Half Year (Qtr 2) financial reporting. Expected impacts of adopting A-IFRS are detailed in Note 10 to the 2005 Financial Statements, which can be found in the 2005 Annual Report on the Sydney Airport website - www.sydneyairport.com.au

MEDIA RELEASE

www.sydneyairport.com.au

20 October 2005

First quarter 2006 results for Sydney Airport

Southern Cross Airports Corporation Holdings today announced a 6.9 per cent increase in earnings (excluding specific non-recurring expenses) for Sydney Airport for the three months to 30 September 2005.

Southern Cross Airports Corporation Holdings Limited (SCACH[1]) today announced an unaudited consolidated profit before depreciation and amortisation, net borrowing costs, income tax, and specific non-recurring expenses (EBITDA excluding specific non-recurring expenses) of $A127.0 million for the three months to 30 September 2005 (Q1 2005: $A118.8 million). EBITDA (including specific non-recurring expenses) increased to $A126.8 million (Q1 2005: $A117.9 million).

EBITDA (excluding specific non-recurring expenses) for the three months to 30 September 2005 represents a 6.9 per cent increase in earnings over the previous corresponding period (pcp). EBITDA (including specific non-recurring expenses) increased by 7.5 per cent on the pcp.

Revenues grew 8.0 per cent over the pcp, which were primarily driven by passenger traffic growth from new airline services, improved yields from commercial initiatives and increased property revenues. Total operating expenses including specific non-recurring expenses were 9.8 per cent higher than pcp, reflecting an increase in security costs, partly offset by reduced specific non-recurring charges.

SACL Executive Chairman and CEO, Max Moore-Wilton said the first quarter of 2006 was another period of continued growth for Sydney Airport.

“Growth in aeronautical revenue based on increasing passengers, strong retail performance, growth in car parking revenues based on expanded capacity and further strong property portfolio performance all contributed to the quarter’s good results. This consistent growth ensures that SACL is well placed to implement a range of initiatives to upgrade the airfield and terminals going forward.” Mr Moore-Wilton said.

Sydney Airport is spending over $A100 million to prepare the airport for the arrival of the Airbus A380 next year, with airfield and terminal works ahead of schedule. In addition, a significant enhancement of security is underway with $A90 million committed to implement 100% checked baggage screening by December 2005 at the international terminal, and followed at a later date at the T2 terminal. Total capital expenditure invested at the airport since privatisation now exceeds $A500 million.

Sydney Airport aeronautical charges have remained stable into financial year 2006 other than increases in aeronautical security recovery charges as a result of increased expenditure on government mandated security requirements and recovery of new aeronautical investment agreed with airlines.

Revenue

Total revenue from all business units rose 8.0 per cent over pcp to $A160.6 million (Q1 2005: $A148.7 million). Growth in aeronautical revenue reflects continued expansion of airline services. During the quarter, Sydney Airport welcomed its 40th international carrier with 2 services per week by Air Tahiti Nui to Papeete, whilst Emirates (to Christchurch) and Garuda (to Denpasar) also added new services during the quarter. Aeronautical security recovery was higher than pcp, matched by an increase in security costs as a result of increased security measures.

Retail revenues increased 8.4 per cent on pcp, higher than passenger traffic growth. Duty Free remained the mainstay, supported by an expanded foreign exchange offering and a revitalised retail offer. A new advertising contract with APN Outdoor Pty Ltd commenced on 1 October 2005, covering the airport's outdoor sites and indoor sites at the international terminal. In addition, work has commenced on a major $20 million upgrade of Terminal 2, which will include an improved retail offering spread over 5,000 m^2 of retail space.

Growth in commercial trading revenues reflects a positive contribution from car parking, which benefited from additional capacity constructed in the long term and domestic multi-storey car parks during the second half of last financial year. Secure Central has been appointed as manager of Sydney Airport's car parks from 30 September 2005, bringing to the airport both local experience as well as international parking expertise.

The property portfolio continues to perform strongly. During the quarter, construction of a new Emirates customer lounge at the international terminal was completed to enable fit out, and works continued on schedule for a purpose-built Mercedes-Benz sales and service facility located within the Airport precinct.

Operating Expenses

Total operating expenses excluding specific non-recurring expenses increased 12.4 per cent on pcp to $A33.6 million (Q1 2005: $A29.9 million), principally as a result of increased expenditure on security requirements. Excluding security expenditures, operating expenses have benefited from sustainable savings achieved over the last few years, particularly as a result of the implementation of a flatter management structure and a reduction in the full time workforce. Total operating expenses including specific non-recurring expenses increased 9.8 per cent on pcp to $A33.8 million (Q1 2005: $A30.8 million).