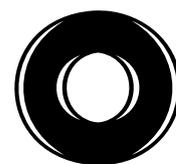


For personal use only

**MACQUARIE AIRPORTS LIMITED**

(ARBN 099 813 180)

INTERIM FINANCIAL REPORT FOR HALF YEAR ENDED 30 JUNE 2009



MACQUARIE

---

# Interim Financial Report

## for half year ended 30 June 2009

---

For personal use only

Macquarie Airports comprises Macquarie Airports Trust (1) (ARSN 099 597 921), Macquarie Airports Trust (2) (ARSN 099 597 896) and Macquarie Airports Limited (ARBN 099 813 180).

Macquarie Airports Management Limited (ACN 075 295 760) (AFSL 236875) ("MAML") is the responsible entity of Macquarie Airports Trust (1) and Macquarie Airports Trust (2). MAML is a wholly owned subsidiary of Macquarie Group Limited (ABN 94 122 169 279).

Macquarie Capital Funds (Europe) Limited ("MCFEL") (registered number 3976881) is the adviser to Macquarie Airports Limited. MCFEL is a wholly owned subsidiary of Macquarie Group Limited.

None of the entities notes 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 Limited (ABN 46 008 583 542) ("MBL"). MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities.

This report 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 Macquarie Airports, 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.

MAML, as responsible entity of the trusts comprised by Macquarie Airports, and MCFEL, as the adviser to Macquarie Airports Limited, are entitled to fees for so acting. Macquarie Group Limited and its related corporations (including MAML and MCFEL) together with their officers and directors and officers and directors of Macquarie Airports Limited may hold stapled securities in Macquarie Airports from time to time.

---

# Interim Financial Report

## for half year ended 30 June 2009

### Contents

Directors' Report .....	1
Directors .....	1
Dividends .....	1
Review and Results of Operations .....	1
Significant Changes in State of Affairs .....	1
Events Occurring after Balance Sheet Date .....	2
Directors' Holdings of Shares .....	2
Adviser's Holdings of Stapled Securities .....	2
Rounding of Amounts in the Directors' Report and the Financial Report .....	2
Consolidated Income Statement .....	3
Consolidated Balance Sheet .....	4
Consolidated Statement of Changes in Equity .....	5
Consolidated Cash Flow Statement .....	6
Notes to the Financial Statements .....	7
1 Summary of Significant Accounting Policies .....	7
2 Profit for the Half Year .....	10
3 Dividends Paid and Proposed .....	12
4 Interest Bearing Liabilities .....	12
5 Contributed Equity .....	12
6 Retained Profits .....	12
7 Operating Segments .....	13
8 Contingent Liabilities and Assets .....	14
9 Events Occurring after Balance Sheet Date .....	15
Statement by the Directors of Macquarie Airports Limited .....	16
Independent auditor's review report to the Members of Macquarie Airports Limited .....	17

For personal use only

# Interim Financial Report

## for half year ended 30 June 2009

---

This page has been left blank intentionally.

For personal use only

---

# Directors' Report

## for half year ended 30 June 2009

### Directors' Report

In respect of the half year ended 30 June 2009, the directors of Macquarie Airports Limited ("MAL" or "the Company") submit the following report on the interim financial report of the Company and its controlled entities ("the Consolidated Entity").

#### Directors

The following persons were directors of MAL during the whole of the period and up to the date of this report:

- Jeffrey Conyers (Chairman)
- Sharon Beesley
- Max Moore-Wilton
- Stephen Ward

#### Dividends

No dividends were paid or proposed on the ordinary shares during the period (2008: nil).

#### Review and Results of Operations

The performance of the Consolidated Entity for the half year, as represented by the result of its operations, was as follows:

	6 months to 30 Jun 09 \$'000	6 months to 30 Jun 08 \$'000
Revenue from continuing operations	11,578	716,644
Other income	97,672	42,677
Total revenue and other income from continuing operations	109,250	759,321
Loss from continuing operations after income tax expense	(341,844)	(342,539)
Loss attributable to MAL shareholders	(339,331)	(228,963)
Basic earnings per ordinary share	(19.88)c	(13.35)c
Diluted earnings per ordinary share	(19.88)c	(13.35)c

#### Significant Changes in State of Affairs

##### *Buyback of MAp securities*

On 27 November 2008, Macquarie Airports ("MAp") commenced an on-market buyback of MAp stapled securities utilising existing cash reserves. On 23 February 2009, MAp announced the cessation of the buyback program. From 1 January 2009 to 23 February 2009, 7.5 million stapled securities were bought back for consideration of \$17.6 million. MAL's share of the buyback from 1 January 2009 to 23 February 2009 was \$5.4 million. In total 12.5 million stapled securities were purchased during the buyback for a total consideration of \$27.3 million. MAL's share of the total buyback was \$15.3 million.

##### *Recapitalisation of Sydney Airport*

On 13 January 2009, Southern Cross Airports Corporation Holdings Limited ("SCACH"), the holding company for Sydney Airport, issued new stapled securities to existing shareholders to raise \$263.0 million in new capital.

On 27 March 2009, SCACH issued stapled securities to existing shareholders to raise an additional \$870.0 million in new capital.

Of the total equity raised by SCACH, the contribution by MAL was \$337.1 million.

# Directors' Report

## for half year ended 30 June 2009

### **JAT buyback**

MAp holds its investment in JAT through MAL. On 20 May 2009, MAp announced its intention to tender its entire 14.9% interest in Japan Airport Terminal ("JAT") into JAT's buyback tender offer. JAT shareholders approved the buyback on 26 June 2009. The buyback was completed on 3 August 2009 and MAp disposed of its entire interest in JAT. Gross sale proceeds approximated \$260 million (including the benefit of hedging arrangements that were previously entered into).

In the opinion of the directors, there were no other significant changes in the state of affairs of the Consolidated Entity that occurred during the period under review.

### **Events Occurring after Balance Sheet Date**

An interim distribution of 13.0 cents per stapled security was paid by Macquarie Airports Trust (1) ("MAT(1)") to security holders on 19 August 2009.

On 3 August 2009 MAL successfully tendered its entire 14.9% interest in JAT into the buyback offer and from that date no longer holds an investment in JAT.

On 24 July 2009, MAp announced it had reached agreement with Macquarie to internalise the management of MAp, subject to the approval of MAp security holders at a general meeting in September 2009.

This means that MAp will acquire the management rights from Macquarie and will employ the management team directly. MAp will become a standalone entity, separate from Macquarie and will be able to independently implement its future direction and strategy.

Since the end of the half year, the directors of the Company are not aware of any other matter or circumstance not otherwise dealt with in the financial report that has significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in years subsequent to the half year ended 30 June 2009.

### **Directors' Holdings of Shares**

The aggregate number of shares in MAL held directly, indirectly or beneficially by the directors or their director-related entities at the date of this financial report is 622,690 (31 December 2008: 622,690).

### **Adviser's Holdings of Stapled Securities**

The number of stapled securities held by the Adviser at the date of this interim financial report is nil (31 December 2008: nil).

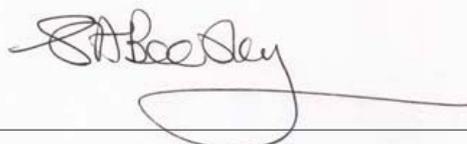
### **Rounding of Amounts in the Directors' Report and the Financial Report**

Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars unless otherwise indicated.

This report is made in accordance with a resolution of the directors of Macquarie Airports Limited.



**Jeffrey Conyers**  
Bermuda  
20 August 2009



**Sharon Beesley**  
Bermuda  
20 August 2009

# Interim Financial Report

## for half year ended 30 June 2009

### Consolidated Income Statement

	Note	6 months to 30 Jun 09 \$'000	6 months to 30 Jun 08 \$'000
Revenue from continuing operations	2	11,578	716,644
Other income	2	97,672	42,677
Total revenue and other income from continuing operations		109,250	759,321
Finance costs	2	(4,808)	(140,053)
Administration expenses	2	(11,511)	(138,428)
Other operating expenses	2	(423,470)	(788,787)
Operating expenses from continuing operations		(439,789)	(1,067,268)
<b>Loss from continuing operations before income tax expense</b>		<b>(330,539)</b>	<b>(307,947)</b>
Income tax expense		(11,305)	(34,592)
<b>Loss from continuing operations after income tax expense</b>		<b>(341,844)</b>	<b>(342,539)</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations		(2,706)	9,043
Cash flow hedges, net of tax		-	59,833
Other comprehensive income for the half-year, net of tax		(2,706)	68,876
Total comprehensive income for the half-year		(344,550)	(273,663)
Loss is attributable to:			
MAL shareholders		(339,331)	(228,963)
Minority interest		(2,514)	(113,576)
		(341,845)	(342,539)
Total comprehensive income is attributable to:			
MAL shareholders		(344,550)	(144,655)
Minority interest		-	(129,008)
		(344,550)	(273,663)
<b>Earnings per share from continuing operations attributable to MAL shareholders</b>			
Basic earnings per ordinary share		(19.88)c	(13.35)c
Diluted earnings per ordinary share		(19.88)c	(13.35)c

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

# Interim Financial Report

## as at 30 June 2009

### Consolidated Balance Sheet

	Note	As at 30 Jun 09 \$'000	As at 31 Dec 08 \$'000
<b>Current assets</b>			
Cash and cash equivalents		385,430	839,300
Other financial assets		23,322	25,026
Receivables		3,846	7,436
Other assets		250	162
Derivative financial instruments		65,439	4,212
Investments in financial assets		257,441	-
Total current assets		735,728	876,136
<b>Non-current assets</b>			
Derivative financial instruments		-	3,309
Investments in financial assets		4,158,284	3,921,432
Other assets		-	2,957
Total non-current assets		4,158,284	3,927,698
<b>Total assets</b>		<b>4,894,012</b>	<b>4,803,834</b>
<b>Current liabilities</b>			
Payables		27,400	10,785
Derivative financial instruments		730	6,798
Financial liabilities		80,059	96,770
Current tax liabilities		11,184	97
Total current liabilities		119,373	114,450
<b>Non-current liabilities</b>			
Interest bearing liabilities	4	678,554	238,825
Total non-current liabilities		678,554	238,825
<b>Total liabilities</b>		<b>797,927</b>	<b>353,275</b>
<b>Net assets</b>		<b>4,096,085</b>	<b>4,450,559</b>
<b>Equity</b>			
<b>MAL shareholders' interest</b>			
Contributed equity	5	1,140,567	1,150,491
Retained profits	6	2,754,782	3,094,113
Reserves		200,736	205,955
<b>Total shareholders' interest</b>		<b>4,096,085</b>	<b>4,450,559</b>
Minority interest in controlled entities		-	-
<b>Total equity</b>		<b>4,096,085</b>	<b>4,450,559</b>

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.



Jeffrey Conyers

Bermuda

20 August 2009



Sharon Beesley

Bermuda

20 August 2009

# Interim Financial Report

## for half year ended 30 June 2009

### Consolidated Statement of Changes in Equity

	Attributable to MAL shareholders				Minority interest	Total equity
	Contributed equity	Reserves	Retained earnings	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at 1 January 2009	<b>1,150,491</b>	<b>205,955</b>	<b>3,094,113</b>	<b>4,450,559</b>	-	<b>4,450,559</b>
Loss for the period	-	-	(339,331)	(339,331)	(2,514)	(341,845)
Exchange differences on translation of foreign operations	-	(5,219)	-	(5,219)	2,514	(2,705)
Total comprehensive income	-	(5,219)	(339,331)	(344,550)	-	(344,550)
Transactions with equity holders in their capacity as equity holders:						
Securities cancelled pursuant to security buy-back from 1 January to 23 January 2009 (including transaction costs)	(9,924)	-	-	(9,924)	-	(9,924)
	(9,924)	-	-	(9,924)	-	(9,924)
Total equity at 30 June 2009	<b>1,140,567</b>	<b>200,736</b>	<b>2,754,782</b>	<b>4,096,085</b>	-	<b>4,096,085</b>
Total equity at 1 January 2008	1,155,867	(22,840)	1,258,343	2,391,370	2,639,670	5,031,040
Loss for the period	-	-	(228,963)	(228,963)	(113,576)	(342,539)
Exchange differences on translation of foreign operations	-	38,254	-	38,254	(29,211)	9,043
Cash flow hedges, net of tax	-	46,054	-	46,054	13,779	59,833
Total comprehensive income	-	84,308	(228,963)	(144,655)	(129,008)	(273,663)
Transactions with equity holders in their capacity as equity holders:						
Increased interest in subsidiaries obtained during the period	-	(16,858)	-	(16,858)	(49,465)	(66,323)
Minority interest derecognised on loss of control of subsidiary	-	-	-	-	(158,657)	(158,657)
Distributions, dividends and return of capital provided for or paid	-	-	-	-	(199,980)	(199,980)
	-	(16,858)	-	(16,858)	(408,102)	(424,960)
Total equity at 30 June 2008	<b>1,155,867</b>	<b>44,610</b>	<b>1,029,380</b>	<b>2,229,857</b>	<b>2,102,560</b>	<b>4,332,417</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Interim Financial Report

## as at 30 June 2009

### Consolidated Cash Flow Statement

	6 months to 30 Jun 09 \$'000	6 months to 30 Jun 08 \$'000
<b>Cash flows from operating activities</b>		
Southern Cross Australian Airports Trust - distribution	7,894	-
ASUR distributions received	28,222	-
Bristol Airport – interest received on loans	-	2,388
Brussels Airport – distribution received	11,338	-
Copenhagen Airports associates – distribution and dividend income received	-	2,311
Japan Airport Terminal – distribution and dividend received	1,558	-
Other distribution and dividend income received	-	13,265
Interest received on intercompany loans	-	1,541
Other interest received	13,312	48,567
Airport revenue received (inclusive of goods and services tax)	-	664,785
Responsible Entity and Adviser base fees paid (inclusive of goods and services tax)	(7,045)	(17,639)
Adviser's performance fees paid (inclusive of goods and services tax) *	-	(91,191)
Operating expenses paid (inclusive of goods and services tax)	-	(5,602)
Operating expenses paid by airport operating entities (inclusive of goods and services tax)	(2,418)	(370,249)
Income taxes paid	(1)	(20,895)
Net indirect taxes paid	-	(5,249)
Other income received	-	30
<b>Net cash flows from operating activities</b>	<b>52,860</b>	<b>222,062</b>
<b>Cash flows from investing activities</b>		
Repayment of MABSA convertible loans to minority interest	-	(5,126)
Payment for purchase of investments in subsidiaries	-	(44,225)
Payments for purchase of investments (net of cash acquired)	-	(106,632)
Payments for purchase of fixed assets	-	(98,106)
Cash outflow on deconsolidation of subsidiary	-	(131,476)
<b>Net cash flows from investing activities</b>	<b>-</b>	<b>(385,565)</b>
<b>Cash flows from financing activities</b>		
Payments made for security buyback	(11,864)	-
Proceeds received from borrowings	-	178,127
Repayment of borrowings	(459,779)	(441,760)
Borrowing costs paid	(2,876)	(121,671)
Dividends, distributions and returns of capital paid to minority interest	-	(207,068)
Loans to related parties	(15,003)	-
<b>Net cash flows from financing activities</b>	<b>(489,522)</b>	<b>(592,372)</b>
<b>Net decrease in cash and cash equivalents held</b>	<b>(436,662)</b>	<b>(755,875)</b>
Cash and cash equivalents at the beginning of the period	839,300	1,819,583
Exchange rate movements on cash denominated in foreign currency	(17,208)	(37,406)
<b>Cash and cash equivalents at the end of the period</b>	<b>385,430</b>	<b>1,026,302</b>

\* The performance fee paid by Bristol Airport Bermuda Limited ("BABL") (formerly Macquarie Airports Group Limited) during the prior period was incurred during the financial year ended 31 December 2007 and was based on the performance of BABL over its seven years since inception.

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

# Interim Financial Report

## for half year ended 30 June 2009

### Notes to the Financial Statements

#### 1 Summary of Significant Accounting Policies

This general purpose financial report for the interim reporting period ended 30 June 2009, has been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual reports of Macquarie Airports Limited ("MAL" or "the Consolidated Entity") and Macquarie Airports ("MAp" or "the Group") for the year ended 31 December 2008 and any public announcements made by MAp during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

##### (a) Basis of preparation

The accounting policies adopted in the preparation of the interim financial report are consistent with those of the previous financial year and corresponding interim period unless otherwise stated. The principal accounting policies adopted in the preparation of the interim financial report are set out below.

The interim financial report was authorised for issue by the directors on 20 August 2009. The Directors have the power to amend and reissue the interim financial report.

##### ***Compliance with International Financial Reporting Standards ("IFRS")***

Compliance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* ensures that the interim financial report complies with IAS 34: *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). Consequently, this interim financial report has also been prepared in accordance with and complied with IAS 34: *Interim Financial Reporting* as issued by the IASB.

##### ***Historical cost convention***

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

##### ***Stapled security***

The units of Macquarie Airports Trust (1) ("MAT(1)") and Macquarie Airports Trust (2) ("MAT(2)") and the shares of MAL, are combined and issued as stapled securities in MAp. The units of MAT(1) and MAT(2) and the shares of MAL cannot be traded separately and can only be traded as stapled securities.

This interim financial report consists of the consolidated financial statements of MAL and its controlled entities.

##### (b) Consolidated accounts

UIG 1013: *Consolidated Financial Reports in relation to Pre-Date-of-Transition Stapling Arrangements* requires one of the stapled entities, of an existing stapled structure, to be identified as the parent entity for the purpose of preparing consolidated financial reports. In accordance with this requirement, MAT(1) has been identified as the parent of the consolidated group, comprising MAT(1) and its controlled entities, MAT(2) and its controlled entities and MAL and its controlled entities.

The financial statements of MAL should be read in conjunction with the separate consolidated financial statements of MAp and MAT(2) for the half year ended 30 June 2009.

# Interim Financial Report

## as at 30 June 2009

### 1 Summary of Significant Accounting Policies (continued)

#### (c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of the entities controlled by MAL at 30 June 2009 and the results of those controlled entities for the half year then ended. The effects of all transactions between entities in the consolidated entity are eliminated in full. Minority interests in the results and equity, are shown separately in the Income Statement and the Balance Sheet, respectively.

Minority interests are those interests in partly owned subsidiaries which are not held directly, or indirectly, by MAL.

Where control of an entity is obtained during a financial period, its results are included in the Income Statement from the date on which control commences. Where control of an entity ceases during a financial period, its results are included for that part of the period during which control existed.

#### (d) Borrowings

##### *Interest bearing liabilities*

Subsequent to initial recognition at fair value, net of transaction costs incurred, interest bearing liabilities are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount, is recognised in the Income Statement over the period of the borrowings using the effective interest method.

##### *Convertible loans*

The convertible loans issued by subsidiaries to minority interest shareholders are carried at fair value, with changes in the fair value recognised as a finance cost in the Income Statement. The fair value of the convertible loans is determined using discounted cash flow analysis. Transaction costs are expensed as incurred.

##### *Preference shares*

The preference shares issued by International Infrastructure Holdings Limited ("IIHL"), a subsidiary of MAL, to minority interest shareholders are carried at fair value with changes in the fair value recognised as a finance cost in the Income Statement. The fair value of the preference shares is determined using discounted cash flow analysis. Transaction costs are expensed as incurred.

#### (e) Foreign currency translation

##### *Functional and presentation currency*

Items included in the financial statements of each of the Consolidated Entity's companies, are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is the functional and presentation currency of MAL.

##### *Transactions and balances*

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses, resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

# Interim Financial Report

## for half year ended 30 June 2009

### 1 Summary of Significant Accounting Policies (continued)

#### (e) Foreign currency translation (continued)

##### *Consolidated Entity companies*

The results and financial position of all the Consolidated Entity's companies that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
- income and expenses for each Income Statement are translated at average exchange rates; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to security holders' equity. When a foreign operation is deconsolidated, or borrowings that form part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the Income Statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

#### (f) Segment reporting

MAL has applied AASB 8: *Operating Segments* from 1 January 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in a change in the identification of reportable segments presented as in the prior period the primary basis of segment reporting was geographical.

Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of MAL.

For the half year ended 30 June 2009 the segments are based on the core assets of MAL's investment portfolio being Sydney Airport, Copenhagen Airports, Brussels Airport and Bristol Airport. Comparatives for the half year ended 30 June 2008 have been restated.

#### (g) Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

#### (h) Company formation

MAL was incorporated in Bermuda on 4 February 2002.

#### (i) Rounding of amounts

Amounts in the financial report have been rounded to the nearest thousand dollars unless otherwise indicated.

# Interim Financial Report

## as at 30 June 2009

### 2 Profit for the Half Year

The operating profit from continuing operations before income tax includes the following specific items of revenue, other income and expense:

	6 months to 30 Jun 09 \$'000	6 months to 30 Jun 08 \$'000
<b>Revenue from continuing operations</b>		
Interest income	11,578	56,433
Fee income	-	3,738
Aeronautical revenue	-	393,977
Retail revenue	-	91,038
Property revenue	-	52,347
Revenue from rendering of services	-	116,129
Other	-	2,982
Total revenue from continuing operations	<b>11,578</b>	716,644
<b>Other income – revaluation of investments</b>		
Revaluation of Bristol Airport	-	32,703
Revaluation of other listed investments	<b>33,545</b>	-
Total revenue from revaluation of investments	<b>33,545</b>	32,703
<b>Other income – other</b>		
Fair value movements on derivative contracts	<b>64,127</b>	1,939
Fair value movements on financial liabilities	-	8,017
Other	-	18
	<b>64,127</b>	9,974
Total other income	<b>97,672</b>	42,677
Total revenue and other income from continuing operations	<b>109,250</b>	759,321

The decrease in revenue from continuing operations is mainly due to the consolidation of Brussels Airport's and Copenhagen Airports' results in the prior corresponding period. From 5 November 2008 MAP no longer controls but jointly controls Brussels and Copenhagen Airports and consequently no longer consolidates these airports from that date.

Other income includes movements in the fair value of foreign exchange forward contracts in relation to Japan Airport Terminal of \$58.1 million.

# Interim Financial Report

## for half year ended 30 June 2009

### 2 Profit for the Half Year (continued)

	6 months to 30 Jun 09 \$'000	6 months to 30 Jun 08 \$'000
<b>Operating expenses from continuing operations</b>		
<b>Finance costs</b>		
Interest expense on loans from MAT(1)	3,978	15,836
Interest expense on RPS issued to MAT(1)	190	-
Interest expense (MACH debt facility)	-	32,067
Interest expense (Copenhagen)	-	17,887
Interest expense (Brussels)	-	74,263
Interest expense (other)	640	-
Total finance costs	<u>4,808</u>	140,053
<b>Administration expenses</b>		
Auditors' remuneration	301	563
Directors' fees	98	130
Investment transaction expenses	950	2,218
Investor communication expenses	61	90
Legal fees	254	626
Registry fees	118	157
Adviser's base fees	8,464	12,940
Adviser's performance fees	-	1,972
Adviser's termination fee in relation to MAG restructure *	-	118,955
Other administration expenses	1,265	777
Total administration expenses	<u>11,511</u>	138,428
<b>Other operating expenses</b>		
Revaluation of Sydney Airport	69,128	-
Revaluation of Brussels Airport	106,946	-
Revaluation of Bristol Airport	32,837	-
Revaluation of Copenhagen Airport	99,968	43,533
Revaluation of Japan Airport Terminal	113,794	44,341
Revaluation of other listed investments	-	30,525
Foreign exchange losses	797	31,902
Loss on deconsolidation of entity	-	148,166
Staff costs	-	140,365
Amortisation and depreciation	-	191,223
Operating and maintenance	-	118,035
Energy and utilities	-	17,157
Technology	-	205
Other external costs	-	23,335
Total other operating expenses	<u>423,470</u>	788,787
<b>Total operating expenses from continuing operations</b>	<u><b>439,789</b></u>	<u><b>1,067,268</b></u>

\* During the prior period Macquarie Airports Group terminated the Advisory Agreement with Macquarie Capital Funds (Europe) Limited and in accordance with the terms of the Termination Deed a termination fee in lieu of any and all future performance fees became payable. The terms of the termination deed were negotiated between the Adviser and the shareholders of Bristol Airports Bermuda Limited (formerly Macquarie Airports Group Limited) excluding MAp.

# Interim Financial Report

## as at 30 June 2009

### 3 Dividends Paid and Proposed

The dividends were paid/payable as follows:

	6 months to 30 Jun 09 \$'000	6 months to 30 Jun 08 \$'000
Final dividend proposed and subsequently paid for the year ended 31 December	-	-
Interim dividend proposed and subsequently paid for the period ended 30 June	-	-
	<b>Cents per stapled security</b>	<b>Cents per stapled security</b>
Final dividend proposed and subsequently paid for the year ended 31 December (100% unfranked)	-	-
Interim dividend paid for the period ended 30 June (100% unfranked)	-	-

### 4 Interest Bearing Liabilities

	As at 30 Jun 09 \$'000	As at 31 Dec 08 \$'000
<b>Non-current</b>		
Loans from MAT(1)	-	238,825
Redeemable Preference Shares issued to MAT(1)	<b>678,554</b>	-
	<b>678,554</b>	238,825

### 5 Contributed Equity

	As at 30 Jun 09 (half year) \$'000	As at 31 Dec 08 (full year) \$'000	As at 30 Jun 09 Number of shares '000	As at 31 Dec 08 Number of shares '000
Ordinary shares on issue at the beginning of the period	1,150,491	1,155,867	1,713,636	1,718,654
Cancelled pursuant to security buyback 27 November 2008 to 31 December 2008	-	(5,376)	-	(5,018)
Cancelled pursuant to security buyback 1 January 2009 to 23 January 2009	<b>(9,924)</b>	-	<b>(7,511)</b>	-
On issue at the end of the period	<b>1,140,567</b>	1,150,491	<b>1,706,125</b>	1,713,636

### 6 Retained Profits

	As at 30 Jun 09 (half year) \$'000	As at 31 Dec 08 (full year) \$'000
Balance at the beginning of the period	3,094,113	1,258,343
Transfer from reserves	-	27,755
(Loss)/Profit attributable to MAL shareholders	<b>(339,331)</b>	1,808,015
Balance at the end of the period	<b>2,754,782</b>	3,094,113

# Interim Financial Report

## for half year ended 30 June 2009

### 7 Operating Segments

The directors of MAL have determined the operating segments based on the reports reviewed by the chief operating decision maker, being the Board of MAL.

The Board considers the business from the aspect of each of the core portfolio assets and has identified four operating segments. The segments are the investments in Sydney Airport, Copenhagen Airports, Brussels Airport and Bristol Airport. MAL has joint control of these investments and as such, the directors of MAL can exert significant influence over the management control of the entities.

MAL's airport investments also include investments in Japan Airport Terminal and Grupo Aeroportuario del Sureste S.A.B. de C.V. ("ASUR"). However, as the directors of MAL do not have the ability to significantly influence the management decisions of the entities, the investments do not meet the definition of reportable segments under AASB 8: *Operating Segments*.

The operating segments note discloses the airport assets performance by individual core-portfolio airport in their respective local currencies. The information is presented at 100% of the earnings before interest, tax, depreciation and amortisation ("EBITDA") rather than based on MAL's proportionate share. This is consistent with the manner in which this information is presented to the Board on a monthly basis in its capacity as chief operating decision maker.

	Sydney Airport \$'000	Copenhagen Airports DKK'000	Brussels Airport EUR'000	Bristol Airport GBP'000		
<b>For the 6 months to 30 June 2009</b>						
Total segment revenues	404,513	1,426,361	172,872	24,675		
Total segment expenses	(79,160)	(699,411)	(84,585)	(11,927)		
<b>EBITDA</b>	<b>325,353</b>	<b>726,950</b>	<b>88,287</b>	<b>12,748</b>		
<b>For the 6 months to 30 June 2008</b>						
Total segment revenues	397,191	1,531,228	185,494	28,261		
Total segment expenses	(78,632)	(687,263)	(81,026)	(12,308)		
<b>EBITDA</b>	<b>318,559</b>	<b>843,965</b>	<b>104,468</b>	<b>15,953</b>		
	Sydney Airport \$'000	Copenhagen Airports \$'000	Brussels Airport \$'000	Bristol Airport \$'000	Other \$'000	Total \$'000
<b>Total segment assets</b>						
30 June 2009	1,100,436	954,316	996,603	254,046	1,588,612	4,894,013
31 December 2008	245,611	1,054,284	1,114,302	286,883	2,102,754	4,803,834

# Interim Financial Report

## as at 30 June 2009

### 7 Operating Segments (continued)

A reconciliation of MAL EBITDA to loss before income tax expense is provided as follows:

	Sydney Airport \$'000	Copenhagen Airports DKK'000	Brussels Airport EUR'000	Bristol Airport GBP'000	Total \$'000
<b>For the 6 months to 30 June 2009</b>					
<b>EBITDA</b>	325,353	726,950	88,287	12,748	
EBITDA of investments carried at Fair Value	(325,353)	(726,950)	(88,287)	(12,748)	
AUD equivalent	-	-	-	-	-
Other income and expenses					
Interest income					11,578
Fair value movements on derivative contracts					64,127
Revaluation expense of investments in financial assets					(389,128)
Finance costs					(4,809)
Administration expenses					(11,511)
Other expenses					(797)
<b>Loss before income tax expense</b>					<b>(330,540)</b>
<b>For the 6 months to 30 June 2008</b>					
<b>EBITDA</b>	318,559	843,965	104,468	15,953	
EBITDA of investments carried at Fair Value	(318,559)	-	-	(15,953)	
AUD equivalent	-	187,418	172,988	-	360,406
Other income and expenses					
Interest income					56,433
Fair value movements on derivative contracts					1,939
Fair value movements on financial liabilities					8,017
Other income					18
Revaluation expense of investments in financial assets					(85,696)
Finance costs					(140,053)
Amortisation and depreciation					(191,222)
Administration expenses					(138,428)
Foreign exchange losses					(31,902)
Loss on deconsolidation					(140,365)
Other expenses					(7,094)
<b>Loss before income tax expense</b>					<b>(307,947)</b>

### 8 Contingent Liabilities and Assets

At 30 June 2009, the Consolidated Entity does not have any contingent assets or liabilities which are material either individually or as a class.

---

# Interim Financial Report

## for half year ended 30 June 2009

---

### 9 Events Occurring after Balance Sheet Date

A final distribution of 13.0 cents per stapled security was paid by Macquarie Airports Trust (1) to security holders on 19 August 2009.

On 3 August 2009 MAL successfully tendered its entire 14.9% interest in JAT into the buyback offer and from that date no longer holds an investment in JAT.

On 24 July 2009, MAp announced it had reached agreement with Macquarie to internalise the management of MAp, subject to the approval of MAp security holders at a general meeting in September 2009.

This means that MAp will acquire the management rights from Macquarie and will employ the management team directly. MAp will become a standalone entity, separate from Macquarie and will be able to independently implement its future direction and strategy.

Since the end of the period, the directors of the Responsible Entity are not aware of any other matter or circumstance not otherwise dealt with in the financial report that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in years subsequent to the half year ended 30 June 2009.

For personal use only

# Interim Financial Report as at 30 June 2009

## Statement by the Directors of Macquarie Airports Limited

In the opinion of the directors of Macquarie Airports Limited ("the Company"):

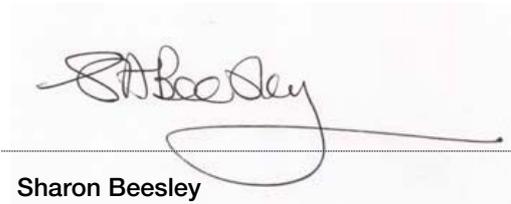
- (a) the financial statements for Macquarie Airports Limited (as defined in Note 1(b)) set out on pages 3 to 15 are:
  - (i) complying with Accounting Standards and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2009 and of its performance, as represented by the results of its operations and its cash flows, for the half year ended on that date; and
- (b) there are reasonable grounds to believe that Macquarie Airports Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



**Jeffrey Conyers**

Bermuda  
20 August 2009



**Sharon Beesley**

Bermuda  
20 August 2009

For personal use only

## Independent auditor's review report to the Members of Macquarie Airports Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial statements of Macquarie Airports Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Macquarie Airports Limited Group (the consolidated entity). The consolidated entity comprises both Macquarie Airports Limited and the entities it controlled during that half-year.

#### *Directors' responsibility for the half-year financial report*

The directors of Macquarie Airports Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report does not give a true and fair view of the consolidated entity's financial position as at 30 June 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting*. As the auditor of Macquarie Airports Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

For personal use only

**Independent auditor's review report to the Members of Macquarie Airports Limited (continued)**

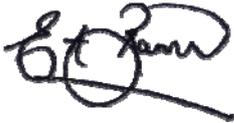
*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Macquarie Airports Limited does not:

- (a) give a true and fair view of the consolidated entity's financial position as at 30 June 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

*PricewaterhouseCoopers*

PricewaterhouseCoopers



EA Barron  
Partner

Sydney  
20 August 2009

For personal use only