



ASX Release

16 August 2021

## Sydney Airport receives revised conditional and non-binding proposal and concludes that it is not in the best interests of Securityholders

Sydney Airport today announces that it has received a revised indicative, conditional and non-binding proposal from the Sydney Aviation Alliance (the “**Consortium**”) that provides for an acquisition, by way of scheme of arrangement and trust scheme, of 100% of the stapled securities in Sydney Airport at an indicative price of A\$8.45 cash per stapled security<sup>1,2</sup> (“**Revised Indicative Proposal**”).

The terms and conditions of the Revised Indicative Proposal are otherwise consistent with the original indicative proposal received from the Consortium on 5 July 2021, which had an indicative price of A\$8.25 per stapled security, which was unanimously rejected by the Boards of Sydney Airport (the “**Boards**”) on 15 July 2021. The Revised Indicative Proposal advises that AustralianSuper Pty Ltd, as trustee of AustralianSuper, has joined the Consortium.

The Boards have carefully considered the Revised Indicative Proposal, including obtaining advice from their financial and legal advisers.

The Boards have unanimously concluded that the Revised Indicative Proposal continues to undervalue Sydney Airport and is not in the best interests of Securityholders.

In coming to this conclusion, the current environment does not change the Boards’ view of the long term value. The Boards also note the rapid increase and acceleration in Australian vaccination rates in recent weeks and the governments’ plans to progressively ease restrictions as the population reaches vaccination targets which will then see the re-opening of travel.

Sydney Airport remains strongly positioned, has strengthened its balance sheet and tightly managed costs to maintain flexibility to respond to a range of recovery scenarios and to pursue sensible growth opportunities as the recovery unfolds. At the current indicative price of A\$8.45 per stapled security, the Boards continue to view the Revised Indicative Proposal as opportunistic in light of the COVID-19 pandemic.

<sup>1</sup> Consistent with the Indicative Proposal announced on 5 July 2021, if the transaction were to proceed it is proposed that UniSuper would receive an equivalent equity interest in the Consortium’s holding vehicle rather than cash consideration.

<sup>2</sup> The indicative price would be reduced by the value of any distributions declared or paid by Sydney Airport prior to the schemes taking effect.

### Sydney Airport

Sydney Airport Limited ACN 165 056 360 (SAL) and The Trust Company (Sydney Airport) Limited (ACN 115 967 087) (AFSL 301162) (TTCSAL) as responsible entity for Sydney Airport Trust 1 (ARSN 099 597 921) (SAT1) (together “SYD”) The Nigel Love Building, 10 Arrivals Court, Locked Bag 5000, Sydney International Airport NSW 2020 Australia Telephone +61 2 9667 9111 — [sydneyairport.com.au](http://sydneyairport.com.au)

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Additionally, as outlined in Sydney Airport's previous announcement, there are a number of factors that the Boards have taken into account, including:

- The strategic and irreplaceable nature of Sydney Airport which is a world class airport and one of Australia's most important infrastructure assets. Sydney Airport is Australia's largest airport and is the gateway to international travel in and out of Australia
- Sydney Airport is a well managed and capitalised asset
- Sydney Airport's consistent delivery of value to Securityholders with a total shareholder return of 19% (annualised) from FY15-19 and total passenger growth of 2.9% (CAGR) over the same period
- The diversity of Sydney Airport's earnings, with the core aeronautical business supported by a high yield retail offering as well as property, car parking and ground transport revenues
- The significant value of Sydney Airport's land assets and potential to create additional value through further development of on-airport commercial property opportunities

The Boards are open to engaging with the Sydney Aviation Alliance should the Consortium be prepared to lift its indicative price to appropriately recognise long term value for Sydney Airport Securityholders.

**Authorised for release by the SAL and TTCSAL Boards**

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