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ASX RELEASE

MACQUARIE AIRPORTS

AGREEMENT TO PARTICIPATE IN JAPAN AIRPORT TERMINAL BUYBACK OFFER AND AMENDED DISTRIBUTION GUIDANCE FOR 2009



Macquarie Airports (MAp) today makes the following announcements:

- MAp has agreed to tender its holding in Japan Airport Terminal (JAT) into JAT's buyback tender offer.
- To reflect both the removal of JAT from proportionate earnings and the expected sustainable earnings of MAp's businesses this year, MAp believes that it is appropriate to amend the guidance previously provided for 2009 from 27.00 cents per stapled security to 21.00 cents per stapled security¹.

Agreement to Participate in Japan Airport Terminal Tender Offer

MAp notes the announcement by JAT that it will launch a tender offer for 22% of its own securities at a price of JPY1,000 per security, subject to shareholder approval which will be sought at the forthcoming Annual General Meeting on 26 June 2009.

MAp is supportive of this action by JAT and has agreed to tender all of its shares into the buyback.

MAp Chief Executive Officer, Ms Kerrie Mather, said, "At the time of our original investment in JAT, we saw the opportunity to participate in the long term growth opportunity presented by the delivery of the fourth runway at Haneda, the new international terminal and the internationalisation of Haneda's traffic base. While we still expect JAT's strategy to bear fruit, the external environment has changed

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significantly since we made the investment and, given the size of our interest, we will not have the opportunity to apply our active management.

“JAT’s decision to launch a tender offer provides MAp with an opportunity to effect an orderly exit from a significant part, if not all, of its investment.”

Should MAp’s entire interest be acquired at the tender offer price, MAp would expect to realise a maximum amount of approximately A\$260m including the benefit of hedging arrangements that were previously entered into, versus the A\$280m at which the interest in JAT was recorded at 31 December 2008.

Whilst the sale of part or all of its interest in JAT will add to MAp’s considerable cash reserves, the earnings contribution from JAT will no longer qualify for inclusion in future proportionate earnings.

Amendment to Distribution Guidance for the Year Ended 31 December 2009

Since 2006, MAp has had a stated objective of converging the regular distribution and proportionate earnings. By 2008, proportionate earnings had grown to 21.00c per stapled security, providing almost 80% coverage of the distribution.

MAp remains confident that its airports will deliver strong long term growth and is committed to the policy of distributing 100% of sustainable earnings to security holders over time.

To reflect both the removal of JAT from proportionate earnings and the expected sustainable earnings of the business this year, MAp believes that it is appropriate to amend the distribution guidance of 27.00 cents per stapled security previously provided for 2009. MAp now expects to pay a total distribution of 21.00 cents per security¹ for 2009.

Strong and Flexible Balance Sheet

MAp reiterates that, following the defeasance of TICKETS in November 2008 and the deleveraging of Sydney Airport announced in February 2009, MAp has no corporate level debt and no material debt maturities at its airports until September 2011. Taking into account the deleveraging of Sydney Airport, MAp has over A\$500m in cash on hand, excluding the expected proceeds from the tender of its JAT shares.

¹ Subject to external shocks to the aviation industry and material changes to forecast assumptions

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