

MEDIA RELEASE

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SYDNEY PORTS RETURNS SOLID RESULT FOR 2008/09

Despite a difficult year in international trade, Sydney Ports Corporation has recorded another strong financial result, with a profit before tax of \$84.2 million for the 2008/09 financial year.

Chief Executive Officer of Sydney Ports Corporation Grant Gilfillan, in releasing the Corporation's annual report, said the profit result represented a return on investment of 7.7 per cent.

"While the global financial crisis had an impact on last year's accounts, Sydney Ports is looking to the future, building capacity now in preparation for a world economy which will recover," Mr Gilfillan said.

The annual report shows that:

- Total revenue was \$207.0 million. Total expenses, excluding finance costs, were \$112.1 million and net profit after tax was \$59.2 million;
- Sydney Ports paid income tax equivalent of \$49.3 million which, under the National Tax Equivalent regime, was paid to NSW Treasury; and
- During 2008/09 cash dividends of \$20.2 million were paid, pertaining to the year ended 30 June 2008.

Mr Gilfillan said it had been another record year in total container trade for Sydney Ports—an indication of restored business confidence and low interest rates.

"Full container exports grew by 14.9 per cent, driven by higher exports of timber, cereals, machinery and transport equipment," he said.

"The volume of container trade coming into the port of Botany has been growing at a compound annual rate of about 7 per cent since containerisation in 1969.

"Container trade volumes through Port Botany have risen to 1.8 million TEUs—a rise of 0.3 per cent on the previous year and included a record monthly throughput of 168,400 TEUs in November 2008."

"As part of the record annual container trade, it also included a record annual throughput of over 442,000 TEUs of full containerised exports."

"However, Sydney Ports' total trade in mass tonnes for 2008/09 has declined 4.9% to 27.8 million mass tonnes. The decline was mainly due to the relocation of the motor vehicle trade to Port Kembla and a reduction in crude oil imports.

Mr Gilfillan said that the Port Botany Expansion project was now well under way, with significant progress being made towards the placement of the total 216 counterfort units for the new wharf.

“Expanding the container facilities at Port Botany tells the world that Sydney will have the capacity to berth ships and handle cargo well into the future,” he said.

“The \$1 billion expansion at Port Botany is the most extensive infrastructure project undertaken by Sydney Ports in the last 30 years.

“And we are close to announcing an operator for the new third terminal.

Other Sydney Ports milestones achieved in the 2008-09 year included:

- Extensive consultation with industry on an Australian-first performance management framework announced for Port Botany landside logistics operations through the Port Botany Landside Improvement Strategy;
- The new Sydney Ports Operations Centre at Port Botany nearing completion; and
- A detailed design program for the Enfield Intermodal Logistics Centre was completed.

The annual report also details a record cruise ship season, with 28 ship visits in the 28 days of February 2009.

“We are dealing with two major longer-term issues – finding a replacement terminal for Darling Harbour Wharf 8 and finding additional cruise ship capacity east of the Harbour Bridge,” Mr Gilfillan said.

“In the meantime we are considering options west of the Bridge in the Glebe Island/White Bay area.”

Mr Gillfillan said Sydney Ports remained an economic powerhouse, handling more than \$50 billion of trade each year and contributing \$2.5 billion to the NSW economy.

“Our ports handle nearly one-third of Australia’s containerised trade and support more than 17,000 jobs,” he said.

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