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**ANNOUNCEMENT HEADING:**

**MELBOURNE AIRPORT ANNOUNCES 23% INCREASE IN AIRLINE SEATS**

Australian Infrastructure Fund (AIF) today announced that Melbourne Airport as part of the recently released Northern Winter schedule, has confirmed a 23 percent increase in international airline seat capacity from November 2004 to March 2005, compared to the previous year.

This means an additional 27,000 seats every week (both ways) compared to the same period last year.

Over the June and September 2004 quarters, international traffic at Melbourne Airport has increased 43 and 24 percent respectively.

See the attached media release by Melbourne Airport.

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**Kim Rowe**
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**Australian Infrastructure Fund**

MELBOURNE AIRPORT

# MEDIA RELEASE

**Monday 1 November, 2004**

## 23% INCREASE IN MELBOURNE INTERNATIONAL AIRLINE SEATS

## EXTRA CAPACITY WILL SUPPORT BOOMING PASSENGER TRAFFIC

Melbourne will receive a massive 23% increase in international airline seats under a new airline schedule commencing today. The Northern Winter schedule, which runs between November and March, will increase the number of international seats available to Melbourne passengers every week by around 27,000 (both ways), compared to the same period last year.

The new schedule is a further 14% capacity increase on the concluding Northern Summer schedule, which operated between April and October, which itself was a 9% increase on the schedule preceding it.

This 'growth on growth' is particularly welcome as international passenger numbers continue to grow rapidly following the full recovery from downturns experienced during SARS and Iraq last year. For the last two quarters, international passenger traffic at Melbourne Airport has grown by an enormous 43% and 24% respectively.

Melbourne Airport CEO Chris Barlow welcomed the increase as a boost for Victorian tourism and for Melbourne's leisure and business travellers.

"For people traveling from Melbourne to international locations, the extra seats will mean greater flexibility and more competitive holiday deals," said Mr Barlow.

"This is also great news for the tourism industry, as more seats means more overseas tourists can start or finish their Australian holiday – and spend their tourist dollars – right here in Victoria."

The new schedule will also support further passenger growth, as Victoria is a robust international tourist market which responds well to extra capacity. Within just two months of the 16 per cent capacity increase announced in last year's Northern Winter schedule, Melbourne passenger traffic had already grown to fill the extra seats.

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Strong passenger growth and capacity increases in the last two schedule periods demonstrate increasing demand in Victoria as international market. This positive outcome highlights the success in strategy and approach taken by the Victorian Government and Tourism Victoria in promoting Victoria overseas.

Chris Barlow welcomed a 13 per cent increase in capacity from Qantas, which operates more international flights at Melbourne Airport than any other airline. "The significant seat increase from Qantas in this schedule is particularly welcome as it will add more direct flights and much needed capacity to crucial markets including North Asia and L.A," said Mr Barlow.

"Qantas' daily non-stop Japan services and the introduction of a new Melbourne – Shanghai service will be particularly valuable in these key Asian markets."

"We welcome Qantas' positive response to the Melbourne market. These capacity increases place Qantas well to benefit from continued growth in demand for direct international services at Melbourne Airport."

Seat increases from Cathay Pacific, China Eastern and Emirates Airline will improve capacity on the South East Asia / Middle East / Europe corridor, which represents over 50% of Melbourne's international passenger movements. Growth from Air New Zealand and Freedom Air boosts capacity between Melbourne and our largest single market, New Zealand, which represents 22% of all Melbourne international passenger traffic.

**MAJOR INCREASES IN NORTHERN WINTER SCHEDULE 2004/2005**

| Airline | Flights per week | Average international seats per week (each way) | Increase in average. seats per week (new NW schedule compared to concluding NS schedule) |
|---|---|---|---|
| Air New Zealand | 41 | 7,285 | 22% |
| Cathay Pacific | 14 | 4,225 | 26% |
| China Eastern | 3 + supplementary services | 1,200 | 43% |
| Emirates Airline | 28 | 8,625 | 29% |
| Qantas | 72 | 19,810 | 13% |

**Full schedule analysis available at**
**http://www.melair.com.au/corporate_info/media_releases.asp**

**Or from Melbourne Airport media unit - (03) 9335 3666.**