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AUSTRALIAN INFRASTRUCTURE FUND (CODE AIX)

ANNOUNCEMENT HEADING:

MELBOURNE AIRPORT EXPANDS INTERNATIONAL TERMINAL

Australian Infrastructure Fund (AIF) advised today that Melbourne Airport had appointed builders L.U. Simon to expand its international terminal.

The construction will expand the international terminal 20 metres to the north and a new third level will be added along with two dual aerobridges installed to accommodate the new A380 aircraft.

Construction will commence during February 2005 and is estimated to be complete by February 2006.

AIF provides the only listed access point to a portfolio of nine Australian Airport assets; consisting of Perth (34 percent), APAC – Melbourne and Launceston (28 percent), QAL – Gold Coast, Townsville and Mount Isa (15 percent) and Northern Territory – Darwin, Alice Springs and Tennant Creek (5 percent).

See attached release by Melbourne Airport, for further information.

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NEW CONTRACT TO EXPAND MELBOURNE AIRPORT'S INTERNATIONAL TERMINAL

Melbourne Airport today announced that L.U.Simon Builders has been awarded a contract to expand its international terminal by over 5,000m². The announcement comes just 3 weeks after the airport unveiled plans to widen its north/south runway by 15 metres, the largest single airfield construction project in the airport's 35 year history.

The terminal expansion project is part of a \$220 million development program currently underway at the airport to accommodate continued strong growth in international passenger traffic and the new double-decker A380 aircraft.

Melbourne Airport acting CEO Kirby Clark said extra capacity was needed to accommodate the airport's growing passenger traffic.

"With Melbourne's international passenger traffic growing at twice the Australian average over the past seven years, the terminal expansion project will provide valuable extra capacity in the gate-lounge areas and ensure Melbourne Airport continues to provide world-class service to our passengers as we grow," said Mr Clark.

The 5,000m² construction project will see Melbourne Airport's existing international terminal expanded 20 metres to the north, a new third level added to the international terminal building and two dual aerobridges installed to accommodate the new double-decker A380 aircraft.

Construction will commence at the end of this month and will be complete by the end of February 2006, with increased terminal capacity available in time for the Melbourne Commonwealth Games in March.

The 20mx80m expansion of the arrival and departures level of the international terminal will add over 3,000m² to the public gate-lounge areas, more than doubling the space currently available for seating. This will enable the airport to better accommodate continued growth in passenger traffic and huge passenger loads carried by the new A380 aircraft when it arrives.

Two new gates will be fitted with dual aerobridges, each of which will have the flexibility to accommodate either one A380, or two smaller aircraft at one time. Passengers on the A380 aircraft, due to start flying in 2006, will be able to board and disembark from both levels of the double-decker aircraft on the new aerobridges.

There will also be a new single aerobridge installed on an existing gate, to replace an older one.

"The larger gate-lounges will provide plenty of space for passengers traveling overseas, both on the new A380 aircraft and on other services," said Mr Clark.

The project also involves the construction of a new, 2000m² third level above the terminal extension, earmarked for use as premium "penthouse" airline lounges.

"The new 3rd level will create an opportunity for interested airlines to provide their passengers with access to some of the best lounge space available at any airport in Australia or the world," said Mr Clark.

"These penthouse lounges will offer passengers superb views of Mount Macedon, the runways and the newly developed A380 aircraft gates."

The entire project will be delivered in stages to minimise impact on passengers and airlines, with only one gate unavailable for public use at any time during construction. The first of the new dual aerobridge gates will be delivered and available for use by the end of October 2005.

****GRAPHICS OF EXPANSION PLANS AVAILABLE ON REQUEST****

Further information: Melbourne Airport Media Unit – (03) 9335 3666

FACTS AT A GLANCE

MELBOURNE AIRPORT INTERNATIONAL TERMINAL EXPANSION

- L.U. Simon awarded contract to expand Melbourne Airport's international terminal by over 5,000m².
- Northern end of the terminal building will be expanded by over 3,000 m². Existing gates D9 and D11, to the north of the airport, will be extended out 20 metres. Total expansion of existing building is 20mx80m over two levels. Extension will increase space available for seating in arrivals and departures by 165%.
- Construction of a 2,000m² third level above the terminal extension for use as airline lounges.
- New gates with dual aerobridges will be installed on the new expansion, which have the flexibility to accommodate 2 new A380 aircraft or 4 smaller aircraft at any one time.
- A new single aerobridge will also be installed on an existing gate, to replace an older one.
- Project commences 28 February 2005, complete by end of February 2006 in time for the Commonwealth Games in March.

MELBOURNE AIRPORT PASSENGER GROWTH

COMPOUND ANNUAL GROWTH

*International passenger Performance of major Australian Airports
Financial years 1998 to 2004*

MEL	BNE	SYD	PER	OTHER	AVERAGE / TOTAL
7.2%	3.5%	2.8%	2.7%	2.5%	3.5%

Source: ABS figures, August 2004.