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AUSTRALIAN INFRASTRUCTURE FUND (CODE AIX)

ANNOUNCEMENT HEADING:

MELBOURNE AIRPORT ANNOUNCES RECORD PASSENGER NUMBERS

Please find attached the Melbourne Airport announcement regarding record passenger numbers for the financial year ended 30 June 2005.

Australian Infrastructure Fund owns 8.1 per cent of Melbourne Airport.

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RECORD PASSENGER FIGURES FOR MELBOURNE AIRPORT

Melbourne Airport passenger numbers have hit a record high, with the airport recording more than 20 million passengers in a single financial year for the first time ever.

Passenger numbers increased by over 1.6 million people, which is the equivalent of an **extra 4,400 passengers every single day** at Melbourne Airport in 2004/05 compared to the previous financial year.

International passenger traffic continued its extremely strong growth, up 14% compared to 2003/2004. This is the second consecutive year that Melbourne Airport has achieved double digit growth in international passenger traffic.

Competition continues to be a vital driver of passenger growth, reducing ticket costs and increasing traffic, which boosts tourism, trade and business travel. The highest passenger growth was recorded on international routes where there is significant airline competition.

Over the past 8 years, Melbourne has had the fastest growing international passenger traffic of any airport in Australia, and these latest figures reaffirm Victoria's growing appeal as an international destination.

Melbourne Airport's close partnership with the Victorian Government has continued to play an integral role in developing international passenger numbers, ensuring Victoria has a strong presence and ongoing promotion in key overseas tourism markets.

Domestic passenger numbers also continue to grow, up 7% on last year's very strong base, increasing by over 1 million passengers in the 12 month period. The first full year of operations for low-cost carrier Jetstar was an enormous success, with airline competition driving growth for all domestic carriers.

This record passenger growth has been achieved in a year when Melbourne Airport has been preparing for future growth. A major project to widen the airport's main runway by 15 metres was completed in May 2005. Construction is underway on works to expand the international terminal by over 5,000 m² over three levels, including new 'penthouse' airline lounges with views to Mt Macedon. Works commenced in June on the construction of a second entry road to Melbourne Airport from the Tullamarine Freeway, and a 2,500 space expansion of the Short Term Car Park was opened on 1 July.

2004/2005 PASSENGER RESULTS - AT A GLANCE

- Overall passengers up 8% to 20.8 million. First time Melbourne Airport has recorded over 20 million passengers in a single year. More than 1.6 million additional passengers, which is equivalent to more than 4,400 extra passengers every single day, for the whole year, compared to 2003/2004.
- International passengers up 14% to 4.3 million per year. First time Melbourne Airport has recorded over 4 million international passengers in a single year. First time Melbourne Airport has achieved two consecutive years of double digit international passenger growth.
- Domestic passengers up 7% to 16.3 million. First time Melbourne Airport has recorded more than 16 million domestic passengers in a single year. More than 1 million additional domestic passengers compared to 2003/2004.

MELBOURNE AIRPORT PASSENGER NUMBERS

	Quarter 4			Financial year		
	2004/ 2005 (‘000)	2003/ 2004 (‘000)	% Change	2004/ 2005 (‘000)	2003/ 2004 (‘000)	% Change
International	989	934	+ 6%	4,299	3,759	+ 14%
Domestic	3,980	3,838	+ 4%	16,296	15,234	+ 7%
Transit	38	40	- 5%	181	166	+ 9%
Total	5,007	4,812	+ 4%	20,776	19,159	+ 8%

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