Hastings Funds Management

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ASX Announcement

Australian Infrastructure Fund (AIX)

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AIX 2006 Annual General Meeting

In accordance with ASX Listing Rule 3.13.3, attached is the prepared address and presentation to be given by Australian Infrastructure Fund's Chairman and Chief Operating Officer at the Annual General Meeting to be held today at 2.30 p.m.

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AUSTRALIAN INFRASTRUCTURE FUND ANNUAL GENERAL MEETING

PRESENTATION NOTES

MONDAY 27TH NOVEMBER 2006, 2.30pm

AIX Chairman's Address – Paul Espie

[SLIDE 4]

Ladies and Gentlemen, I would now like to present my Chairman's comments on the 2006 year.

[SLIDE 5]

Let me begin by bringing your attention to some changes to the Board and Management team of AIX.

Following 10 years of service on the AIX Board, Barry Capp retires at today's meeting. Barry was the inaugural Chairman of AIX, a position he held from 1996 to 2002. Barry's significant contribution to AIX is very much appreciated - he played a pivotal role in the initial public offering of AIX and was a central player in the re-positioning of AIX to a transport infrastructure fund in mid 2002.

The Board will miss his wise counsel and good humour. I am pleased to say, however, that Barry will continue with Hastings in the UK where he is working as a consultant.

I would like to welcome Bob Humphris to the AIX Board, Bob was appointed as a Director in September 2006 following a 40 year corporate career where Bob gathered significant experience in Australia and internationally in the mining and construction industries.

We also welcomed Peter McGregor who joined Hastings Funds Management as Chief Operating Officer of AIX in January 2006 following a 20 year career at Goldman Sachs JB Were. Peter was the head of Infrastructure at GSJBW and played a key role in the Initial Public Offering of AIX in 1997.

[SLIDE 6]

In August of this year, AIX announced an annual net profit after tax of $109.5m, a record profit for the fund. I won't spend a great deal of time on this slide as most of you will have had a chance to view the financial highlights of the annual results. The key point I want to make is that the net cash flow from assets rose 143% to $55.5 million from 2005 to 2006, reflecting a strong performance from the underlying investments. This improved cash flow allowed the Directors to declare distributions for the full year of 14.5 cents which were cash backed in line with our policy, a 12% increase over the previous year. AIX's Net Tangible Asset Backing per security also increased by 8% during the course of the year.

[SLIDE 7]

The increase in both distributions declared and NTA continued the trend of strong performance enjoyed by AIX over recent years. Over the past two financial years, distributions per security have increased by a total of 26%, and AIX's NTA has increased by 23%. Over this period, the AIX share price also performed well, up 22% during the two years to June 2006.

[SLIDE 8]

Of course, your Directors are well aware that 2006 was a challenging year for the AIX share price. Concerns around rising global interest rates, together with investors apparently switching towards higher growth sectors, particularly the resources sector, saw the whole infrastructure sector struggle for price support during the year. AIX's share price decline of 19% over the course of the year was consistent with other infrastructure funds during the period. This slide demonstrates the relationship between the AIX share price and the ASX 200 index. What you can see is that the share price pull back during the year simply brought AIX into line with the ASX 200 index.

[SLIDE 9]

Whilst your Directors are pleased with the performance of the AIX Security price since 30 June, which up to Friday had risen by 18% as this slide shows, I can assure we will continue to look at ways to increase value for investors and we are optimistic that in the longer term the security price will reflect the asset quality and growth potential of AIX.

[SLIDE 10]

Your Board is aware that there are a number of infrastructure investment funds in the Australian market competing for investors' attention.

We have watched a range of high-fee, highly geared funds projecting high growth that have been launched recently.

By comparison, your fund:

- Has low exposure to interest rate risk- there are inflation linked revenue streams in the assets.
- Maintains gearing and a capital structure designed to ensure we are well placed to manage any event risk.
- pays distributions from cash-received, not accounting profits.
- Enjoys a lower fee structure which reflects the long-term nature of our investments.
- Will not overpay for assets for the sake of growth.

We see these basic principles as being key points of differentiation for AIX.

[SLIDE 11]

There were a number of broad industry issues of relevance to the performance of the AIX portfolio during the year.

During the past year, a number of international airlines have applied for new or expanded capacity into the key Australian markets, but have had their requests denied by the Federal Government. The most high profile of these cases during the year was Singapore Airlines application to gain access to the transpacific routes. Other carriers, such as Vietnam Airlines and Qatar Airlines also applied for landing rights into Melbourne and were denied. AIX is concerned that current policy settings in respect of landing rights appear to be tilted towards serving the interests of the incumbent carriers, at the expense of international carriers, airport owners, the tourism and tourism-related industries, and the travelling public.

In the case of Melbourne Airport, foreign airlines represent around 80% of international seats, and have accounted for all its international growth since 2000. So they are critical to our investment in APAC and Victoria. The whole of the economy benefits from international passengers, so I think we need a more "whole of nation" approach to this issue. Prospective changes in the ownership of a major player would, we hope, see an opening of Government policy in this area.

Whilst the Australian Tourism Commission has initiated an international advertising campaign to attract new visitors to Australia, results so far are disappointing. Last Friday, the Australian Financial Review reported that the Tourism Forecasting Committee is anticipating a decline in overall visitor arrivals in Australia for 2006, with a decline in aviation capacity quoted as a contributing factor.

AIX and its manager Hastings is working with airport management to lobby for a more balanced approach.

The delays in construction and delivery of the new large aircraft, the Airbus A380, has been a significant issue for airlines and, of course, airports like Melbourne which has made significant investment in preparation for this.

Airlines plan fleet expansions many years in advance with a view to retiring aircraft and preparing for new aircraft to increase route and yield capacity, meaning airlines have been scrambling to lease aircraft to accommodate demand. This has had some impact on the level of international passengers utilising AIX airports. Your Directors see this impact as being a timing issue, and remain confident that the underlying growth profile of international passengers remains strong.

The Productivity Commission's draft report on Airport Regulation has suggested that light handed regulation should continue. The signs are encouraging that both airports and airlines can work together to produce a win-win situation. A more regulated environment would, in your boards view, be a rigid disincentive to investment in and upgrades of airport assets, not of benefit to - airports, airlines or the travelling public.

Security has remained a key focus for airport operators during the past year. The events at Heathrow airport in August served to highlight that security is not a temporary consideration for airlines and airports, but rather that the world has changed significantly from a security perspective over the past few years. New security arrangements of course come at a significant cost, reflected in the results of some of our larger assets.

As flagged at last year's general meeting, the environment for new acquisitions has remained highly competitive during the year. Acquisition opportunities have been more frequent but your board has remained cautious in our willingness to pay up, beyond prudent risk- return levels. Peter McGregor will talk more about growth options.

Before I hand over to our Chief Operating Officer, Peter McGregor, to provide a more detailed update on AIX's performance and prospects, we'd like to play for you a brief video presentation of the key assets in your funds' portfolio.

AIX Chief Operating Officer's Address – Peter McGregor

[SLIDE 12]

Thank you Chairman, and good afternoon Ladies & Gentlemen.

I'd like to comment briefly on three issues: the performance of the portfolio for 2006 financial year, some of the key factors contributing to this performance, and finally some comments on the outlook for 2007 and prospects for AIX.

[SLIDE 13]

For the year to June 2006, the portfolio generated a gross return of 18.5%. This result is well in excess of market benchmarks, and importantly is also well above our cost of capital. There are two issues in particular I'd like to bring to your attention. The first is the composition of these returns, with approximately half being generated in the form of cash flow and franking credits and half in the form of accrued income and unrealised gains. This represents a significant improvement over the composition of the 2005 returns, when some 80% of portfolio returns were in the form of unrealised gains. This also allowed for distributions for the year to be fully funded from net cash flow generated and also to be tax effective for investors, with distributions 45% franked, 43% tax deferred, and only 12% fully taxable.

The second issue I'd draw your attention to is the strong performance of our core airport portfolio. The pie chart on the right highlights that the four key airport assets, HTAC, Perth, APAC and QAL - they represent 84% of the portfolio - returned 92% of the returns. These assets were, and continue to be, the key drivers of portfolio performance.

[SLIDE 14]

This slide shows a break down of how distributions were funded for the full year. Our approach is very simple. We take the total cash generated by the portfolio, in the form of dividends, distributions, interest and capital returns physically paid by the underlying investments to the fund. From this, we deduct the funds costs, being Hastings' management fee along with other operating and financing costs. The remaining amount is then available for distribution. As the Chairman has already mentioned, we believe that this approach is a key point of difference relative to some other funds, and investors should take comfort that we do not pay distributions from unrealised gains generated by the fund and we do not borrow at the fund level to meet distributions.

[SLIDE 15]

Turning to some of the key drivers of performance for the year, let me comment briefly on passenger numbers. This chart shows the annual growth in airline capacity in Australia, measured by the number of seats in service by commercial carriers for both domestic and international airlines. As the chart shows, growth in capacity has slowed significantly during the year. This is due to the maturing of the low cost carrier market, and, as the Chairman has already mentioned, a shortage of aircraft due to the A380 delays, and the inability of foreign carriers to gain access into Australia. The combined impact of these factors was that domestic carriers increased their seat capacity by some 7% during the year, compared to 15% the previous year, whilst the international carriers increased their seat capacity by only 1.5% during the year, compared to over 14% the previous year.

From AIX's perspective, these developments had been anticipated. Realistically, we were never going to see the sort of growth rates that we experienced in 2004 and 2005 being sustained. Indeed, it's not the case that the 2006 numbers are unusual, but rather that 2004 and 2005 were unusual. The 2006 growth in domestic seat capacity is in line with longer trends, and consistent with the assumptions underlying AIX's valuations and portfolio expectations.

The international factors are slightly more complex, and we may see them constrain growth to levels below the longer trends for the next 12 to 24 months. However, we see these factors as being temporary and having no impact on the longer terms growth profile and prospects of the fund.

[SLIDE 16]

In this sort of environment, the diversity of AIX's airport portfolio has been a real advantage. With a diversity of geographic locations, together with a mix of hub and destination airports, and a mix of gateway and regional airports, the fund is not overly exposed to factors which might impact on any one or two of the individual airports.

[SLIDE 17]

This table here shows the increase in passenger numbers across the portfolio for the year. As you can see, the capacity issues discussed a moment ago have had the most significant impact at Melbourne and Sydney, with Sydney passenger numbers growing at 2.9% and APAC (comprising both Melbourne and Launceston) growing by 3.5%. Northern Territory Airports also experienced relatively low growth, with the domestic low cost carriers pulling capacity out of the Darwin market, whilst Athens reflected the continuing difficulties with Olympic Airlines and the fact that last year's comparables included the impact of the Athens Olympics.

At the other end of the spectrum, we saw extremely strong growth in Hamburg, driven by the growth of the European low cost carriers and by Lufthansa continuing to add capacity. Queensland airports also enjoyed a high growth rate, driven by the strong performance of Gold Coast as it continues to develop into Australia's leading leisure destination airport, as did Perth reflecting the strength of the Western Australian economy.

The overall impact was that total passenger numbers through all of the airports in the portfolio grew by 4.5% to over 107 million passengers, which is in line with longer term trends in system growth.

[SLIDE 18]

It is also important to note that passenger movements at airports are only part of the 'growth' story. This slide shows the diversity of revenue composition at APAC (Melbourne and Launceston), Perth and Queensland Airports, which represents nearly 60 % of the total AIX portfolio.

Perth and APAC have recorded significant revenues from non-aviation sources such as retail and commercial operations (which is the largest revenue source at Melbourne) and property (which is a very significant largest revenue stream at Perth). For example, in Melbourne during the year, 2,500 new car spaces were added, the international terminal was renovated and expanded, and 120,000 square metres of land were developed or let for development. Similarly in Perth, Terminal 1 was extended and upgraded, the car parking facilities were extended, and development of the 700 hectare land bank continued with the establishment of the Coles regional distribution centre on a 25 hectare site. In the case of Queensland airports, aeronautical revenue remains the largest revenue stream, but retail, particularly on the Gold Coast, and property, particularly in Townsville, has increased significantly in recent years.

[SLIDE 19]

The importance of this diversity in both airport ownership and revenue streams is shown on this chart. The blue lines show the total aggregate numbers for all of the airports in which AIX has a stake. As you can see, 4.5% passenger growth through the year translated into revenue growth of around 6.5% as further retail facilities came on line and average spending per passenger increased, and as property revenue made an increasing contribution. This in turn flowed through to an increase in earnings before interest, tax and depreciation of around 7.5%, reflecting an improvement in operating margins and active cost control. This is the sort of profile you generally look for in an airport investment, with passenger growth representing a multiple of GDP growth and with revenue and earnings growth representing a multiple of passenger growth.

However, there is an important overlay here in terms of the additional benefits that come from careful investment selection and active investment management. The brown bars on the chart take the same data, but weight it based on the value of AIX's investment in each asset. As a result of AIX's relatively high exposure to the better performing and faster growing airports in the portfolio, the effective passenger growth that AIX investors were exposed to was 6%. Similarly, the effective revenue growth in the portfolio was 10.1% whilst growth in earnings before interest, tax and depreciation was 10.4%.

So, through the benefits of diversity and through careful investment selection, a 4.5% increase in passenger numbers across the airports in total has flowed through to an effective 10.4% in earnings for the airports, which in turn has underpinned an 18.5% total return for the AIX portfolio.

[SLIDE 20]

Let me touch briefly on the non-airport assets in the portfolio. During the year, Ports, Road and Rail made up 11% of the portfolio and accounted for 4.5% of the portfolio's cash flow.

Volumes at both of our bulk port facilities declined during the year. In the case of Portland, the drought and related domestic stockpiling together with the well-publicised AWB difficulties saw a significant reduction in grain volumes. In Geelong, a reduction in crude oil imports and refined petroleum exports impacted on overall volumes. I'm pleased to advise that in both cases, overall volume weakness was offset by improved volumes for higher-margin products and consequently overall revenue and earnings increased.

Statewide Roads was largely in line with budget and Metro Transport and the Light Rail continued to experience a marginal decline in revenue, although it should be noted that traffic numbers for Metro Transport and the Light Rail have subsequently recovered post 30 June.

The key point to note in terms of these assets is that whilst they provide a degree of diversity in the portfolio, they are small and the performance of these individual assets has, at most, a marginal impact on overall portfolio performance.

[SLIDE 21]

Turning now to the outlook for 2007, and firstly looking at passenger and traffic volumes. The table here shows the passenger and volume performance for the portfolio for the September quarter 2006.

The capacity constraints that impacted passenger volumes in Melbourne and Sydney during 2005/06 remain evident, with international passenger volumes in particular continuing to be weak. Indeed, compared to the September quarter of 2005, Melbourne Airport experienced a decline of 2% in international passenger numbers, largely reflecting the decision by British Airways to discontinue their Melbourne to London service earlier in the year, and a lack of new carriers entering the market to pick up the shortfall.

However, this has been more than offset by a continued strong performance at Perth and a significant improvement at Northern Territory Airports, driven in particular by extremely strong growth in international passenger movements at Darwin, which are up 19% compared to last year. The European airports have also continued to perform well, with Hamburg again the highlight.

Queensland Airports have seen some slowing in the rate of passenger growth at Gold Coast, reflecting in part the demise of Australian Airlines during the last year. Offsetting this has been continued very strong growth at both Townsville and Mount Isa, and overall performance is in line with budget expectations.

Across the airport portfolio in total, passenger numbers for the September quarter showed a 5.5% increase over the same period last year. This marks an improvement over the 4.5% increase experienced for the year to June 2006.

Touching briefly on the Port assets, Portland experienced strong growth for the September quarter, due to some seasonal grain and woodchip shipments. It is unlikely that we will see this sort of growth sustained for the full year. Geelong experienced ongoing weakness in crude oil and petroleum volumes, but shipments of lower volume and higher margin specialist cargo have remained buoyant.

[SLIDE 22]

I am also pleased to advise that there are a significant number of exciting development projects across the portfolio that should help to underpin returns and value for securityholders going forward.

At Melbourne, continued significant property initiatives, together with a planned expansion of the international terminal will continue into 2007.

The new Bunnings Megastore has now been completed at Darwin Airport, the first Bunnings Megastore in the Northern Territory. In addition to being a significant project in its own right, it should also act as an anchor tenant for the continued development of the industrial and commercial precinct at Darwin Airport.

The project to extend the runway at Gold Coast Airport has commenced, which will significantly expand the scope for additional international services in the longer term.

[SLIDE 23]

Perth Airport's capital development program is continuing, with $85 million earmarked to be spent in the current financial year and $275 million to be spent through 2010.

The international airports are also in an expansionary phase, with a new hotel and convention centre at Dusseldorf and a new major retail facility at Hamburg both currently under development.

Finally, the new mineral sands facility at Portland will be officially opened on Friday of this week, adding significant volumes and revenue over the longer term.

This range of project and initiatives should add significant value to the portfolio and serve to highlight the growth options available to AIX within the existing assets.

The overall conclusion is that whilst we may continue to see pockets of weakness in passenger movements in individual airports, the overall trend in passenger numbers across the portfolio remains solid. Coupled with the benefits flowing from significant aeronautical and non-aeronautical developments, our overall observation is that the portfolio performance in 2007 remains on track to meet our expectations and the longer term prospects for growth in the assets continue to be strong.

[SLIDE 24]

The current capital structure of the fund also provides opportunities for growth. This slide has a lot of information on it but I would like to draw your attention to the two numbers that are circled at the bottom of the page. The gearing (or net debt /EV ratio) of 40.2% represents a conservative level of gearing compared to other infrastructure funds and the level of senior interest cover at 3.3 times is also conservative given the competitive landscape.

This level of gearing in the portfolio should provide securityholders with a high degree of comfort in respect of the portfolio's ability to absorb any unforeseen changes in the operating or macroeconomic environments. At the same time, it provides an opportunity to deliver further value to investors through active capital management going forward. The announcement last week of a $700 million refinancing at Perth Airport highlights the focus of AIX on continuing to deliver value through active capital management.

[SLIDE 25]

I'd like to conclude with some brief comments on the overall portfolio strategy:

We have made no new acquisitions in the fund during the year. This is despite a very significant number of new opportunities presenting themselves. Over the last 18 months, we have looked at specific opportunities in the airports, seaports, rail and tollroad sectors. We have also looked at opportunities in Australia, in Europe and in North America. There is certainly no shortage of assets around at the moment. What there is, is a shortage of assets available on terms that provide an acceptable balance of risk and return for AIX. Our philosophy on acquisitions is that we continue to look for attractive acquisition opportunities for the fund, as we see benefit from scale and diversity. However, this scale and diversity will not be achieved at the expense of asset quality and value. In the current environment, with a high level of demand and a number of new players entering the market and seeking opportunities, our approach to only pursuing opportunities that provide value to security holders at an acceptable level of risk has become an extremely important discipline to maintain.

In respect of new acquisition opportunities, we have a preference for high growth assets and a focus on the existing pre-emptives and strategic partnerships as a key source of opportunities. You may have read that BAA is intending to divest its airport assets in Australia. As a result of our pre-emptive rights, we anticipate having the opportunity to invest further in Melbourne, Perth and Northern Territory airports. Whilst we are yet to make a final decision as to whether to pursue these particular assets, they highlight the value of our pre-emptives and strategic partnerships in generating opportunities.

We are also seeing an increasing number of opportunities offshore, and Hastings has now established an office in New York alongside London. This should assist in identifying and pursuing further potential strategic partnership and acquisition opportunities.

Our strong preference remains to pursue negotiated deals rather than the auction process, and we have a wide range of funding options available to us. In the event that an acquisition opportunity presented itself in the short term, we would be in a position to look across the full range of funding options including equity, senior debt, hybrid equity, existing cash reserves and asset sales.

Finally, we continue to review our non core assets - our stakes in Metro Transport, Statewide Roads, and DP World Terminals in particular, in terms of their suitability for the portfolio. To the extent that opportunities to exit these investments on acceptable terms present themselves, we would envisage divesting these assets. Having said that, we are not a forced seller and would certainly not sell them at any price.

Ladies and gentlemen, that concludes my comments. Thank you for your time, and I'll now hand you back to the Chairman.

[SLIDE 26]

Thank you, Peter.

In summary, Ladies and Gentlemen, your fund is in good shape. Results for the year to June 2006 were strong - particularly in terms of cash flow. Overall your Directors are extremely pleased with the current state of the portfolio and the diversity of returns and opportunities that exist within the business. We see numerous exciting growth opportunities ahead for AIX, in terms of continuing to invest in the existing assets, more actively managing the capital base, and in terms of new acquisitions.

Finally, I want to leave you with the thought that you Board remains absolutely committed to delivering value to investors by being disciplined in our approach to growth, risk and return.

[SLIDE 27]

Before we move to the formal business of the meeting, there will now be an opportunity for you to ask questions of the Board or our Manager, or to make any comments you may wish to make. Microphones are available, and I would ask you to please state your name before asking your question or commenting.

Please note also that there will be an opportunity to ask questions on the specific resolutions being considered at today's meeting a little later.

Hastings Funds Management

Australian **Infrastructure** Fund

Annual General Meeting

November 2006

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All data in tables throughout this presentation have been calculated using the most accurate sources available. Most data within this presentation has been subject to rounding and as such any rates or totals manually calculated may differ from those provided.

Agenda

- Chairman's Address – Paul Espie
- Chief Operating Officer's Report – Peter McGregor
- Formal Business of Meeting

Chairman's Address

Paul Espie

Board & Management Changes

- Barry Capp will retire as a Director at today's meeting
  - Barry has been a Director since November 1996 and was Chairman until October 2002.

- Robert Humphris was appointed as a Director in September 2006
  - Robert brings to AIX over 40 years of experience developed in the Australian and International mining and construction industries.

- Peter McGregor was appointed Chief Operating Officer in January 2006
  - Peter joins AIX following a 20 year career at Goldman Sachs JBWere.

Financial Highlights

	Year to 30 June 2005[1]	Year to 30 June 2006	Change from previous corresponding period [2]
Revenues from ordinary activities ($'000)	120,726	131,313	Up 9%
Net profit after tax ($'000)	107,663	109,516	Up 2%
Net cash flow from assets ($'000) [3]	**22,870**	**55,488**	**Up 143%**
Net cash flow per security (cps) [4]	8.5	15.2	Up 79%
Distributions per security (cps) [5]	13.0	14.5	Up 12%
NTA backing per stapled security ($) [6]	$2.19	$2.36	Up 8%
Security Price [7]	$2.59	$2.08	Down 19.7%

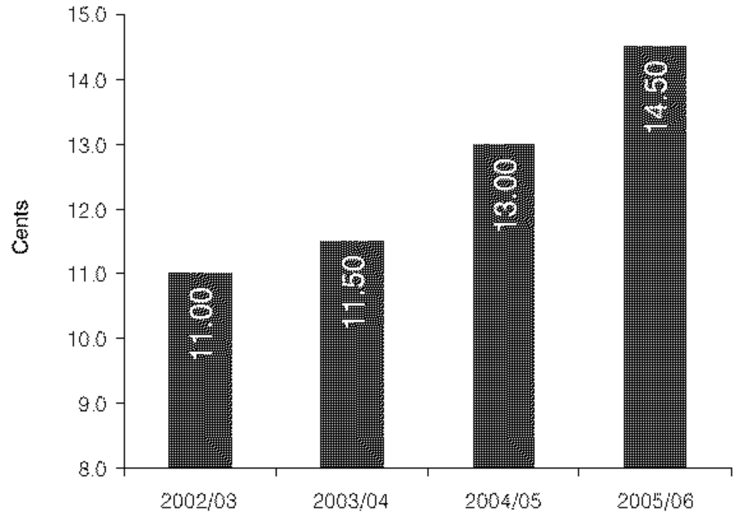
(1) Results for 2005 have been restated due to accounting changes. The net effect of the changes was minimal, full details of the changes are included in the Appendix 4E Financial Results announcement.
(2) All data in tables throughout this presentation have been calculated using the most accurate sources available. Most data within this presentation has been subject to rounding and as such any rates or totals manually calculated may differ from those provided.
(3) Net cash flows from assets were up 143% due to increased dividends, distributions and interest from the assets in the portfolio as well as the receipt of an increased level of cash from share buybacks and loan repayments.
(4) Net cash flows per security were up 79% due to the increase in net cash flows diluted by an increased number of issued securities since 30 June 2005.
(5) The mid year distribution for AIX in December was 7.0 cents per security an increase of 0.5 cents over the previous year's level, the final distribution at 30 June 2006 was 7.5 cents per share an increase of 1.0 cents over the previous year's level.
(6) Net Tangible Assets (NTA) per stapled security as per independent valuations.

Hastings Funds Management

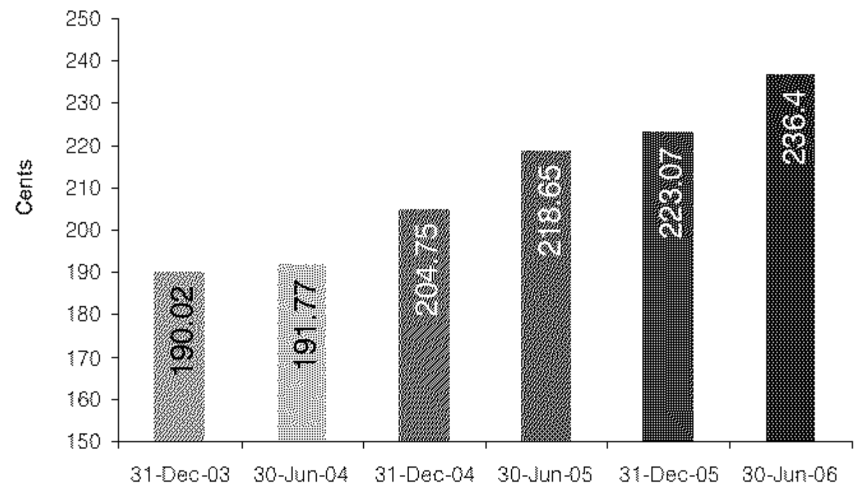
Australian **Infrastructure** Fund

Key Performance Indicators

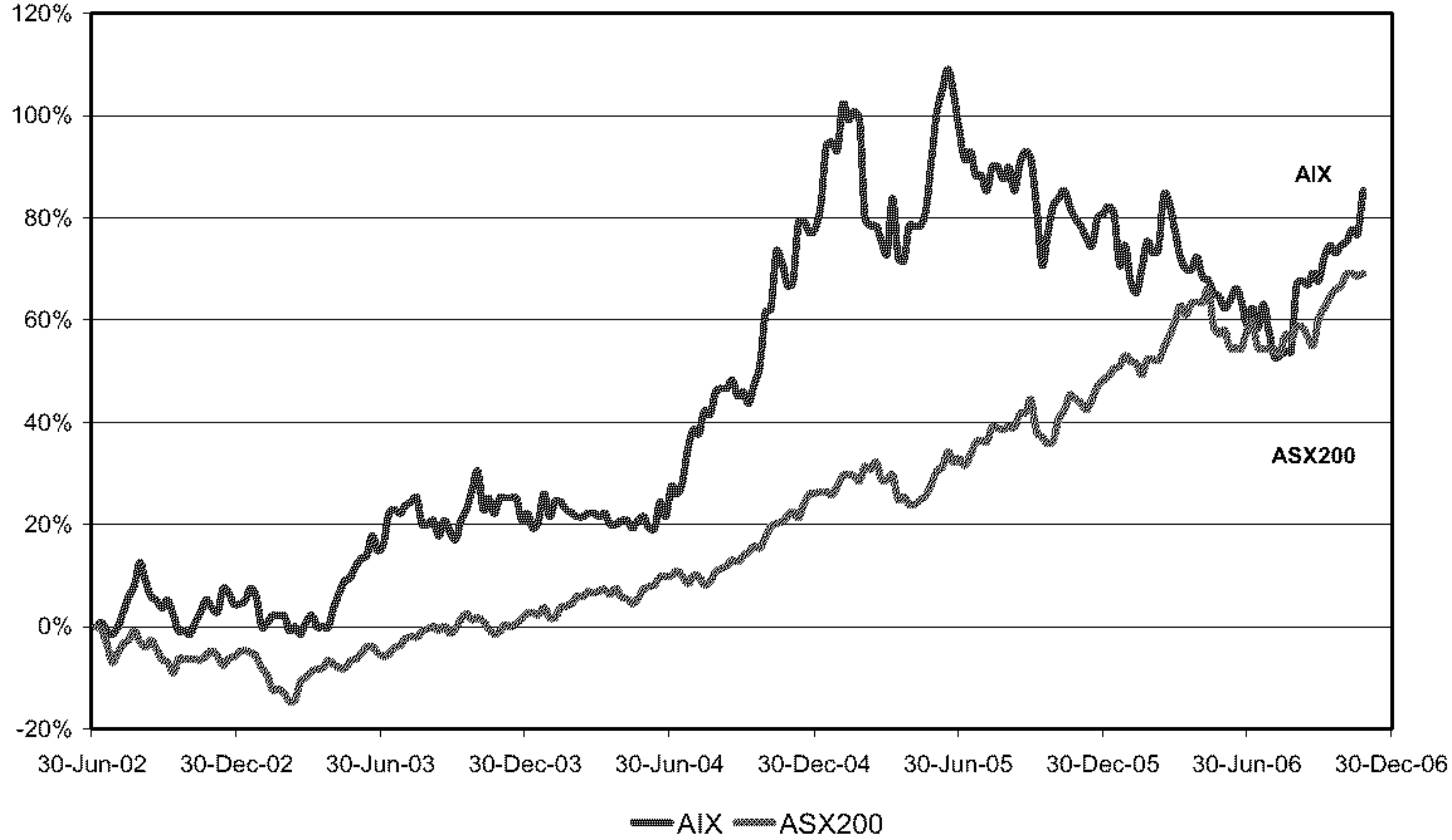
AIX Annual Distributions



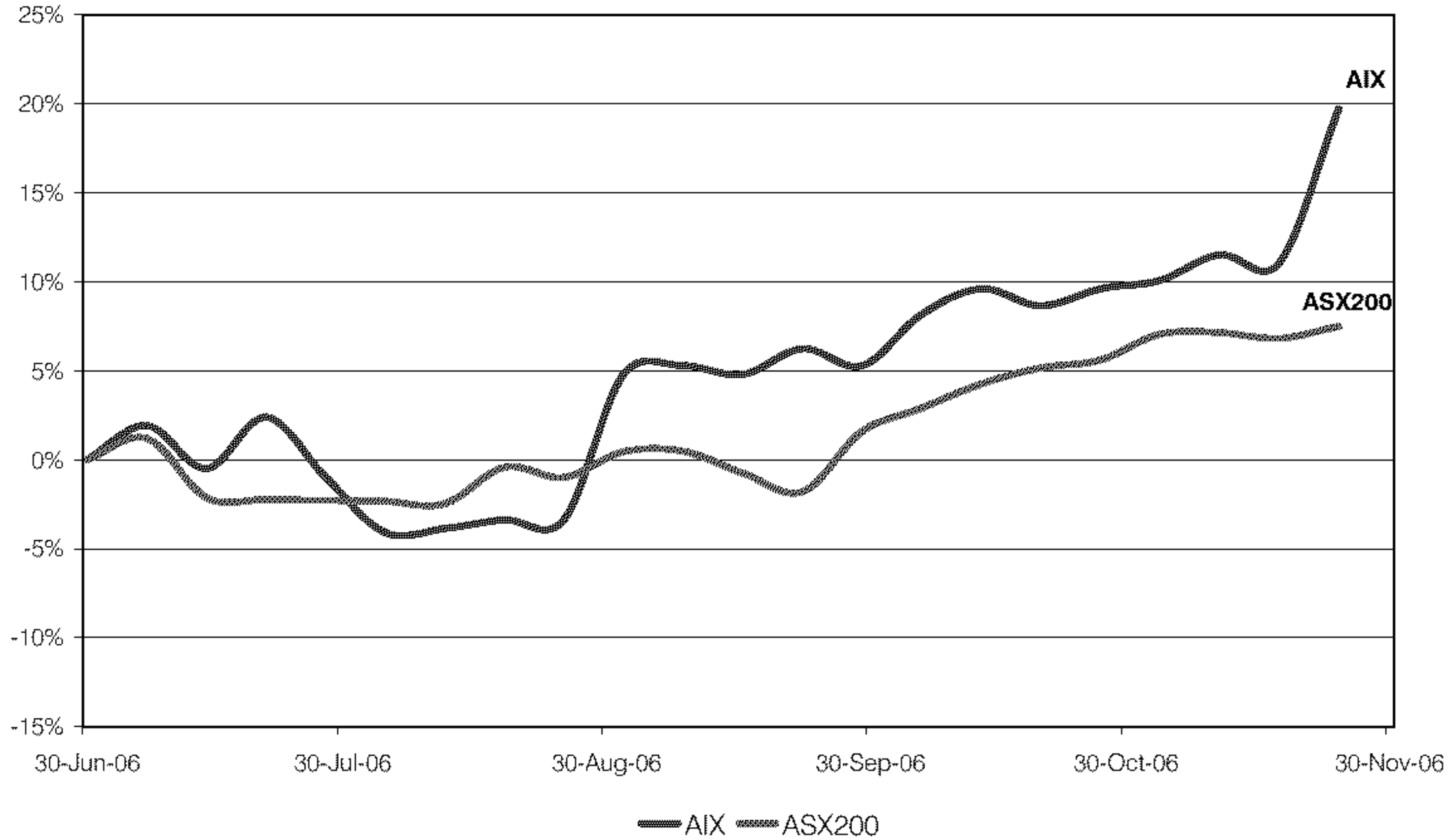
AIX NTA in cents per Security



AIX Security Price Performance



Strong Price Recovery Post 30 June



AIX Investments: Key Points of Difference

- Low exposure to interest rate risk
  - Low overall gearing (approximately 40%)
  - High proportion of assets' debt hedged
  - Inflation linked revenue streams in the assets
- Gearing and capital structure provides basis for future growth
- Distributions fully backed by cash generated by the assets
- Low management fees relative to peers: manager not remunerated for specific transactions
- Will not overpay for assets for the sake of growth

Operating Environment for Airports

- Federal Government - International Carrier Access
- A380 Delays
- Productivity Commission
- Airline/Airport Security
- Environment for acquisitions

Chief Operating Officer's Report

Peter McGregor

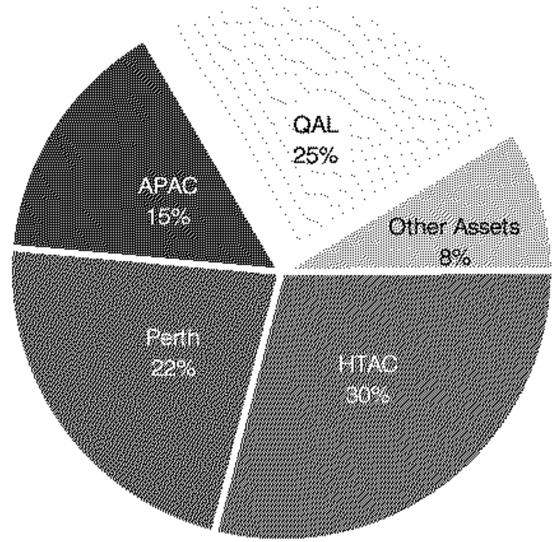
Australian **Infrastructure** Fund

Hastings Funds Management

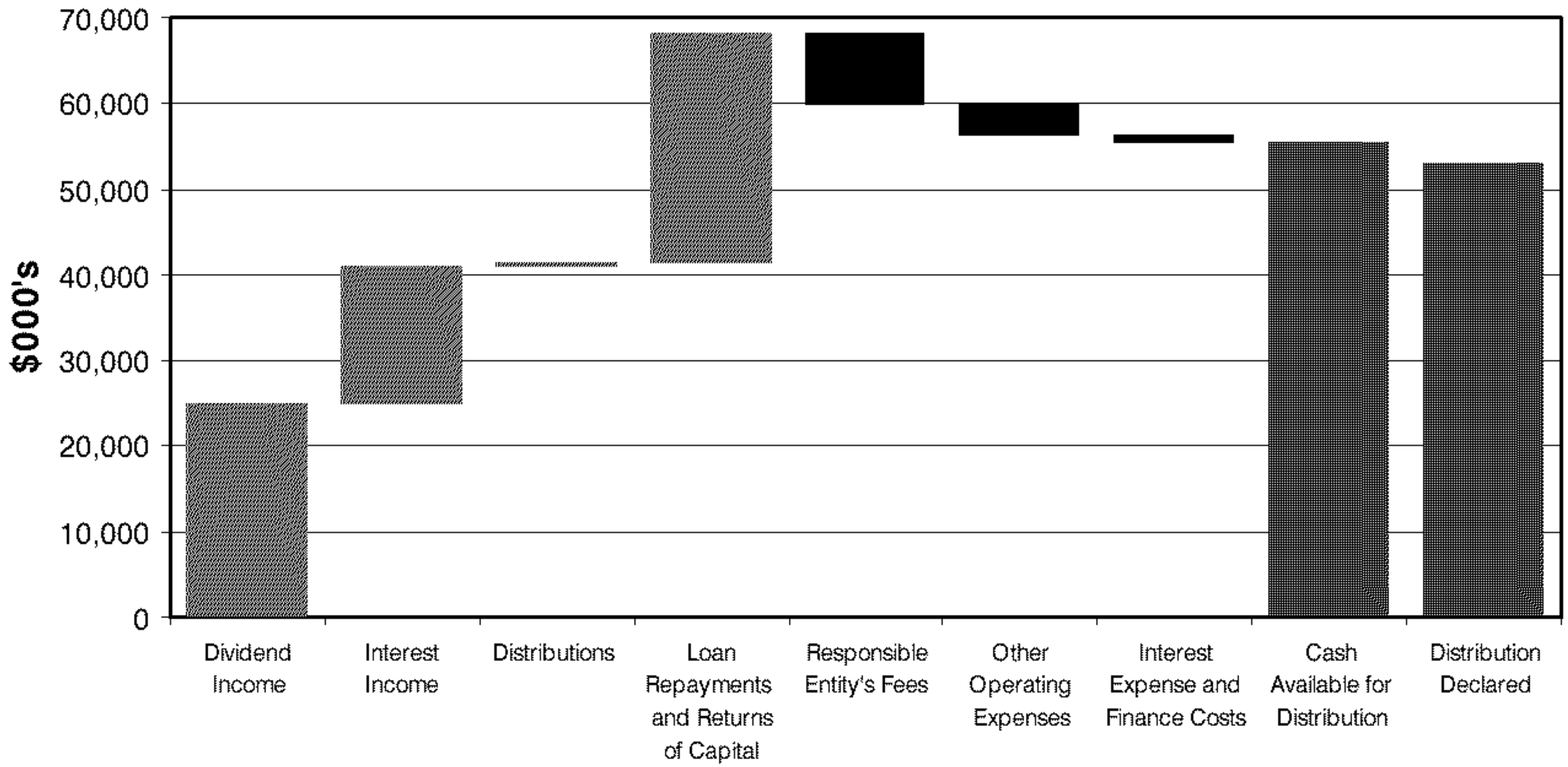
Key Performance Indicators – 2005/2006

Gross portfolio return	18.5%
Composition of returns:	
Cash Flow	7.7%
Accrued Distributions	1.9%
Unrealised Gains	7.6%
Franking Credits	1.3%
Net cash flow	$55.5m
Net cash flow per security	15.2c
Distribution per security	14.5c
45% Franked, 43% Tax deferred	
Cash distribution coverage	1.05x

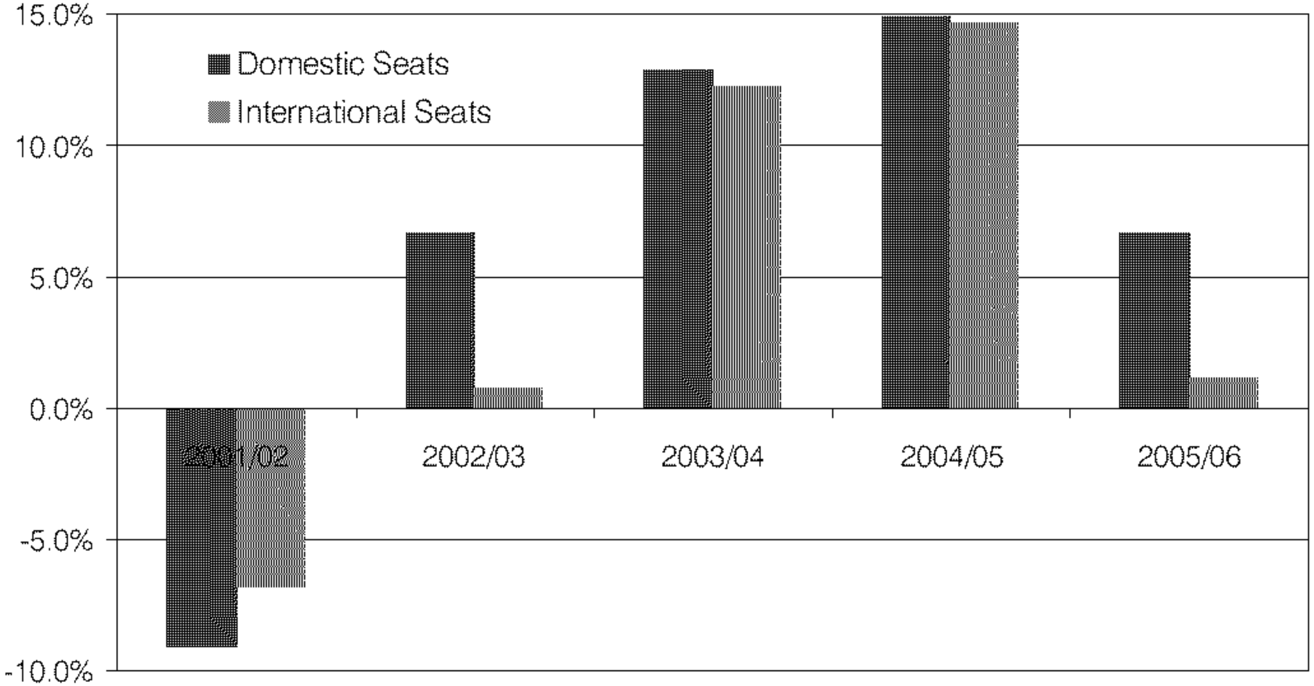
Contribution to Portfolio Return 2005/06



AIX Distributions Fully Cash Backed



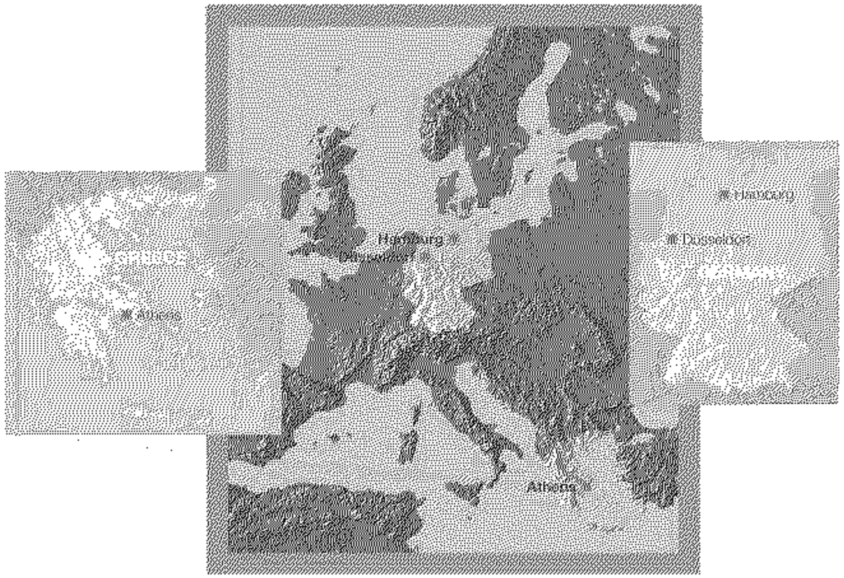
Increase in Airline Seat Capacity - Australia



- Following two years of growth, discount carriers are now focussing on yield and load factors rather than adding capacity
- International carriers are deferring capacity expansion ahead of arrival of the new aircraft models

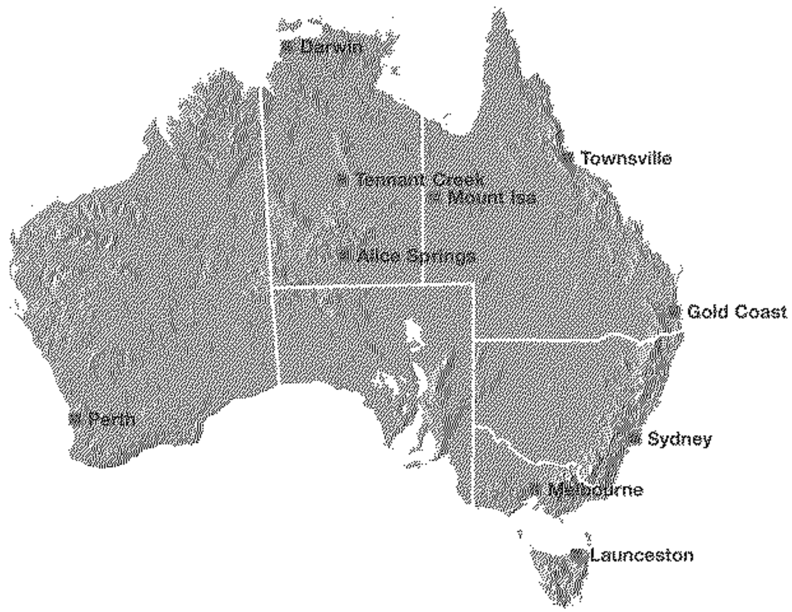
Source: Seat Capacity - Bureau of Transport and Regional Economics

AIX Airports – Geographic Diversity



Investments in
3 European Airports

Investments in
10 Australian Airports

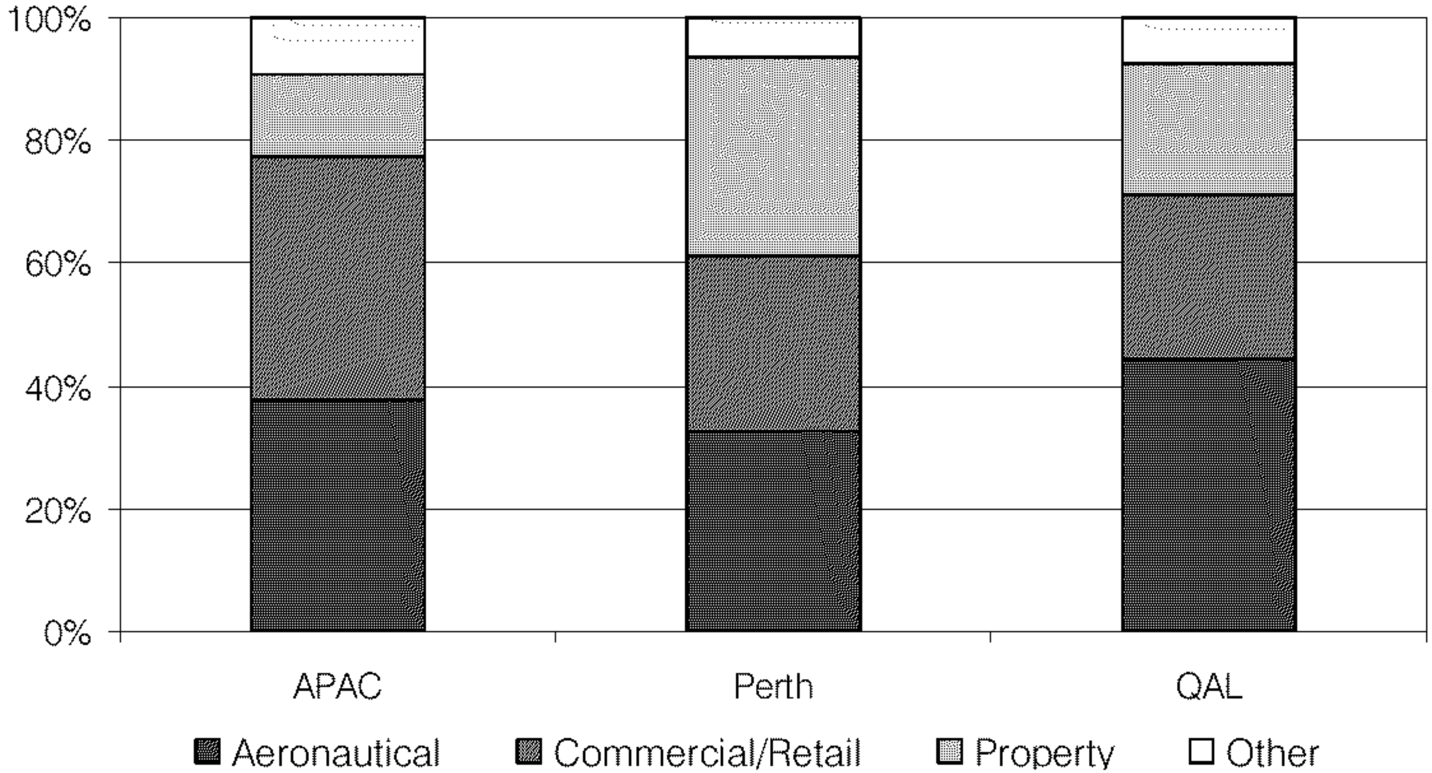


AIX Airports – Passenger Growth

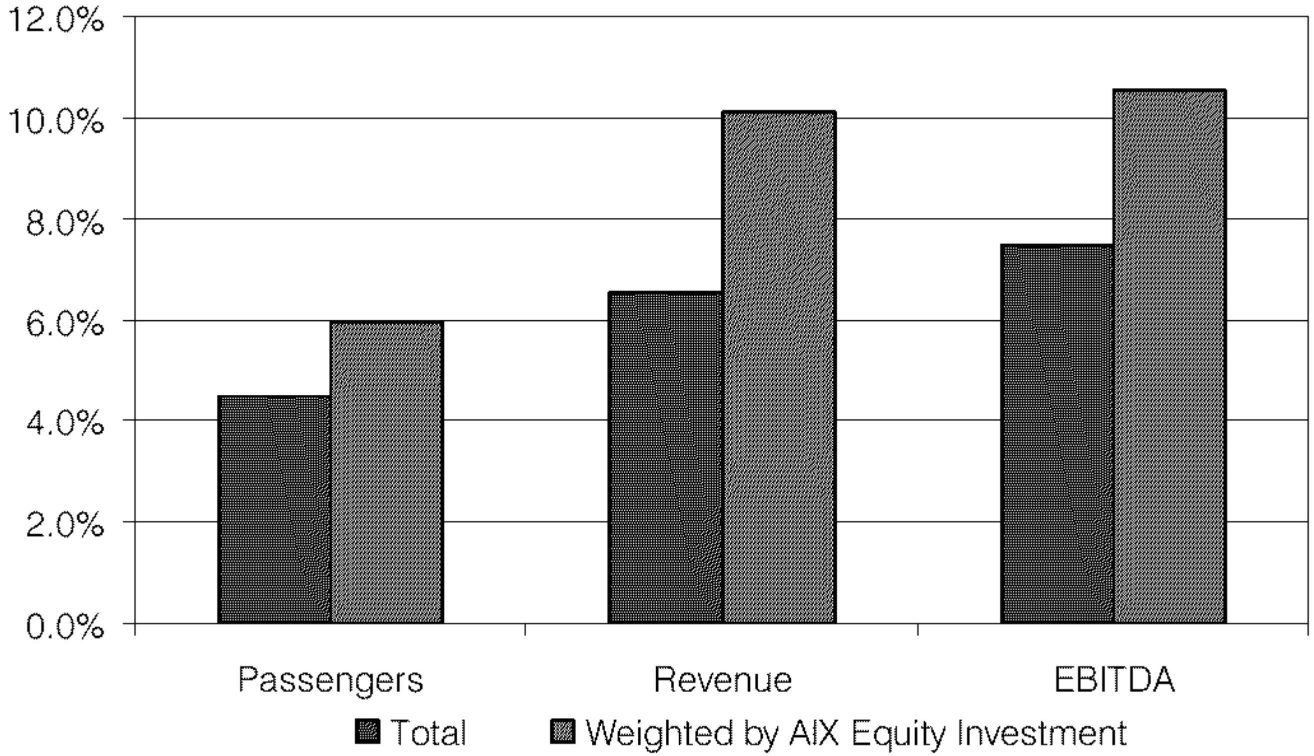
Airport	Domestic Passengers (m) Year to 30 June 2006	International Passengers (m) Year to 30 June 2006	Total Passengers (m) Year to 30 June 2006	Change from previous corresponding period	Total Passengers (m) Year to 30 June 2005
HTAC					
– Athens	5.2	9.2	14.4	**Up 2.2%**	14.1
– Düsseldorf	3.8	12.3	16.1	**Up 4.5%**	15.4
– Hamburg	4.8	6.6	11.4	**Up 12.2%**	10.2
– Sydney	19.3	9.8	29.1	**Up 2.9%**	28.3
Perth Airport	5.1	2.0	7.1	**Up 7.2%**	6.7
APAC	17.8	4.4	22.3	**Up 3.5%**	21.6
Queensland Airports	4.6	0.3	5.0	**Up 11.2%**	4.5
NT Airports	1.7	0.3	2.0	**Up 2.2%**	2.0
Total	62.3	44.9	107.4	Up 4.5%	102.8

AIX through its stake in 13 airports has exposure to a diversified passenger base in excess of 100 million passengers per year

Key Australian Airports - Revenue Composition 05/06



AIX Airports – 2005/2006 Growth



Other Assets – 2005/2006 Performance

	Valuation $m	% of Portfolio	Revenue Growth %	EBITDA Growth %	% of Portfolio's 2005/06 Cashflow
Port of Portland	49.1	5.9	17.7	34.4	0.0
Port of Geelong	17.7	2.1	5.8	4.6	1.1
Statewide Roads	20.1	2.4	2.9	2.8	3.4
Metro Transport Sydney	5.7	0.7	(2.0)	N/A	0.0

- Port volumes declined due to weakness in core products (grain at Portland, crude oil/petroleum at Geelong)
- However, strong growth in higher-margin commodities led to increased revenue and earnings
- Statewide Roads M4 traffic growth slightly below budget due to early opening of M7, but cost reductions saw earnings grow in line with budget
- Metro Transport experienced declines in both Light Rail and Monorail traffic (although this has subsequently recovered post 30 June)

2006/2007 Traffic & Volume Update

- All portfolio assets performing in line with expectations
- Australian airport passenger growth remains robust despite some capacity constraints for international carriers

Sector	Asset		Volume Growth Sep QTR %[1]	Sep QTR Volume 2006 (000's)	Sep QTR Volume 2005 (000's)
Airports	Perth		Up 8.2	1,919	1,773
	Melbourne		Up 2.5	5,562	5,425
	Athens	HOCHTIEF AirPort Capital	Up 6.8	4,946	4,630
	Düsseldorf	HOCHTIEF AirPort Capital	Up 4.3	4,965	4,760
	Hamburg	HOCHTIEF AirPort Capital	Up 12.6	3,342	2,968
	Sydney	HOCHTIEF AirPort Capital	Up 3.7	7,587	7,313
	Queensland		Up 5.0	1,343	1,278
	Northern Territory		Up 11.6	670	600
Seaports	Portland [2]		Up 12.3	850	763
	Geelong [2]		Down 2.5	2,277	2,335
Tollroads	Statewide Roads		Down 0.2	106	107
& Lightrail	Metro Transport		Up 4.5	3,379	3,234

(1) Growth rates are relative to the previous corresponding period
(2) Trade tonnes

Ongoing Development Initiatives

- Melbourne Airport
  - 120,000 m^2 of new sites under development in the business park
  - Further international terminal expansion planned for 2007
- Northern Territory Airports
  - Bunnings Megastore development completed in November 2006
  - Convention centre planned for construction beginning in 2007
- Queensland Airports
  - Gold Coast runway extension project commenced
  - Terminal expansion options under consideration

Ongoing Development Initiatives

- Perth Airport
  - $85m capital expenditure program for 2006/2007
- Düsseldorf Airport
  - Airport City development (hotel and convention centre) due for completion in 2007
- Hamburg Airport
  - New retail development linking Terminals 1 and 2 due to open in 2008
- Port of Portland
  - Mineral Sands facility completed

Capital Structures - Basis for Growth

Asset	Asset Ownership (%)	Valuation as at 30 June 2006 ($m)	Ke (%)	Historical EV/EBITDA[1] (Times)	Net Debt/EV[2] (%)	Senior ICR[3]
HTAC [4]	40.02	232.2	12.60	13.2x	43.7	3.6x
Perth Airport	24.87	202.0	14.00	14.3x	37.3	2.4x
APAC	8.13	161.1	12.50	13.1x	38.3	3.1x
Queensland Airports	49.07	110.1	17.50	10.6x	44.6	3.3x
NT Airports	25.40	36.8	15.50	10.9x	44.4	3.7x
Port of Portland	50.00	49.1	12.00	17.7x	32.5	2.1x
Port of Geelong	35.00	17.7	11.75	13.3x	46.1	2.3x
DP World Adelaide	4.92	2.4	20.00	6.2x	0.0	n/a
Statewide Roads	6.20	20.1	9.10	2.7x	40.0	12.2x
Metro Transport Sydney	38.89	5.7	14.50	n/a	0.0	n/a
Total/Weighted Average		837.2	13.60	13.0x	40.2	3.3x

(1) Based on June 2006 EBITDA with EV calculated using net debt at time of valuation (March -> June 2006) and June 2006 fair valuation of equity
(2) Net Debt / EV reflects June 2006 senior debt net of cash, divided by senior debt plus June 2006 approximate market value of equity
(3) Reflects June 2006 EBITDA divided by June 2006 net interest expense, HTAC assets use Interest Expense from 2005
(4) HTAC numbers based on weighted average of the individual assets using the December 2005 EBITDA, EV, Net Debt and Interest Expense levels in the case of the European assets and June 2006 EBITDA, EV and Net Debt for Sydney Airport

AIX Portfolio Strategy

- Preference for high growth assets
- Focus on:
  - Strategic partnerships and pre-emptives
  - Prospects in Europe and North America
    - Hastings New York Office opened in September 2006
  - Balancing the portfolio; mature, growth and development
- Preference for negotiated deals rather than public auctions
- Numerous acquisition funding sources available
- Ongoing review of non-core assets

Summary

- Strong financial performance in 2006
  - Net cash flow from operations up 143%
- Portfolio in terrific shape:
  - Diversity of assets and revenue streams underpinning returns
  - Capacity constraints on passenger growth expected to be offset by multiple commercial and property initiatives across portfolio
  - Strategic partnerships providing opportunities
- Multiple growth options:
  - Existing assets
  - Capital management
  - New acquisitions
- Commitment to delivering value to investors:
  - Conservative gearing
  - Disciplined approach to investments

Questions and Comments

Formal Business of the Meeting

Agenda Item 1

To consider the financial report and the reports of the Directors and the Auditor for the financial year ended 30 June 2006

Agenda Item 2

Paul Espie retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election

Agenda Item 3

Robert Humphris OAM, a Director appointed by the Board since the last Annual General Meeting, retires in accordance with the Company's Constitution and, being eligible, offers himself for election

Agenda Item 4

To appoint PricewaterhouseCoopers as auditor of the Company

Agenda Item 5

To adopt the Remuneration Report for the financial year ended 30 June 2006

Australian **Infrastructure** Fund

Annual General Meeting

Hastings Funds Management