

END OF YEAR WRAP UP FOR AUSTRALIA PACIFIC AIRPORTS CORPORATION

- **CEO calls for Victorians to use Melbourne direct air services**
- **Melbourne Airport spending \$1 million per day on international terminal upgrade**

Australia Pacific Airports Corporation (APAC), the operator of Melbourne and Launceston Airports, today announced a post-tax profit of \$159 million, an increase of 0.1% on the previous year.

APAC's operating profit increased by 24% to \$334 million but lower investment property gains impacted on overall profit figures. Revenue was up 17% to \$449 million, driven by a strong performance of the Australian domestic air travel market and significant growth in the company's retail sector following substantial investment in this area.

Following the change of ownership in November 2007, Don Mercer, Chairman of APAC said that whilst APAC is a privately owned company with no legal requirement to report, he believes that there is an obligation to inform and advise the community.

"Consistent with our company's position on transparency and good governance, we produce an annual report with financials. We are acutely aware that we operate a vital piece of Victoria's – and Australia's transport infrastructure. Our success and this State's success are linked" said Mr Mercer.

"The departure of BAA was handled smoothly and without fanfare representing how APAC generally does business.

"The remaining three shareholders; AMP Capital Investors Limited, RREEF Infrastructure and Hastings Fund Management exercised their option rights by purchasing the BAA stake," he said.

CEO Chris Woodruff joined APAC in September 2007, with a smooth transition and an excellent first year's results.

APAC which recently entered its 11th year of operating Melbourne Airport invested more than \$133 million into capital works at Melbourne Airport during the 2007/2008 financial year – a substantial part of the \$330 million T2 expansion project for Melbourne Airport and the accompanying \$20 million redevelopment at Launceston Airport. This investment is more than any single year to date, indicating the company's clear confidence in the airport's futures.

Mr Woodruff was happy to report the best passenger growth in the last three years, with domestic passenger growth at Melbourne Airport of 9% to 19.3 million, an increase of 1.5 million passengers. International passengers grew to 4.7 million, an increase of 5%, or 242,000 more than last year. Overall Melbourne handled 24.3 million passengers, an increase of 8% on the previous year.

When combined with passenger figures increasing by 11.1% to over 1.1 million passengers at Launceston, the year was a good one for APAC.

“However,” Mr Woodruff cautioned “APAC is not immune to economic trends or decisions by our airline customers as they respond to rising oil costs and reduced passengers demand in some markets.”

Mr Woodruff urged Victorians to take advantage of the increasing number of flights direct from Melbourne with several airlines having increased routes and capacity during this year.

“Over the next 9 months Melbourne expects to see one of the biggest increases in international seats it has experienced in the last decade with over 725,000 new international seats direct to and from Melbourne.

“We will be ready for it. The upgrade of the international terminal commenced in January this year and is tracking well against schedule with this \$330 million project, due for completion in 2012, being undertaken in stages to ensure each completed stage can be immediately operational. We are planning for the future” said Mr Woodruff.

FINANCIAL RESULTS - APAC

Year ended 30 June (\$ millions)	1999	2000	2001	2002	2003	2004	2005 ¹	2006 ¹	2007 ²	2008	Change 07 to 08
Aeronautical	50	53	57	57	91	112	126	136	147	171	16%
Retail	61	68	77	80	90	106	123	138	156	183	17%
Property and Rental	32	36	41	42	37	40	44	42	47	53	13%
Security and Other	14	14	20	22	25	28	30	32	34	42	24%
Total Revenue	157	171	195	201	243	286	323	348	384	449	17%
Operating Expenses	48	48	55	65	74	83	93	102	114	115	0.1%
Operating Profit	109	123	140	136	169	203	230	246	270	334	24%
Investment property gains	0	0	0	0	0	0	0	91	77	22	(71%)
Profit before borrowing costs, depreciation and amortisation	109	123	140	136	169	203	230	337	347	356	3%
Depreciation and Amortisation	32	34	35	36	40	45	38	34	37	39	5%
Interest	107	109	137	97	97	90	80	80	84	90	7%
Profit / (Loss) Before Tax	(30)	(21)	(32)	3	32	68	112	223	226	227	0.1%
Tax Expense / (Benefit)	0	0	(22)	5	13	27	33	67	68	68	0%
Net Profit / (Loss)	(30)	(21)	(10)	(2)	19	41	79	156	158	159	0.1%

1: A-IFRS

2: New investment property policy

PASSENGER VOLUMES - MELBOURNE AIRPORT

Year end June 30 (millions)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Change 07 to 08
International	2.73	2.99	3.36	3.41	3.28	3.76	4.30	4.38	4.53	4.77	5.3%
Domestic	11.64	12.34	13.56	12.81	13.48	15.23	16.30	16.88	17.81	19.36	8.7%
Total*	14.58	15.57	17.24	16.48	16.92	19.16	20.78	21.43	22.50	24.26	7.8%

*Total includes transit passengers

AIRCRAFT MOVEMENTS - MELBOURNE AIRPORT

Year end June 30 (thousands)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Change 06 to 07
International	18.2	20.5	23.1	22.6	21.3	24.0	28.0	25.2	24.1	25.2	4.6%
Domestic	136.2	142.7	162.0	133.1	135.0	140.0	151.2	152.9	154.8	166.8	7.8%
General Aviation	2.4	1.5	2.3	1.9	1.6	1.3	1.3	1.2	1.3	1.5	15.4%
Total	156.8	164.7	187.4	157.6	157.9	165.3	180.5	179.3	180.2	193.5	7.4%

PASSENGER VOLUMES – LAUNCESTON AIRPORT

Year end 30 June (millions)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Change 07 to 08
Domestic	0.52	0.54	0.52	0.53	0.58	0.67	0.82	0.92	0.99	1.10	11.1%

AIRCRAFT MOVEMENTS – LAUNCESTON AIRPORT

Year end June 30 (thousands)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Change 07 to 08
Regular public transport	10.1	10.8	13.3	9.2	7.5	7.9	9.3	9.5	9.7	10.7	10.3%
General Aviation	19.0	16.8	13.1	12.4	7.4	7.4	5.7	5.5	4.8	6.4	33.3%
Total	29.1	27.6	26.4	21.6	14.9	15.3	15.0	15.0	14.5	17.1	17.9%

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