Macquarie Infrastructure Group

Management Information Report

For the quarter ended 30 September 2007

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Overview of MIG

Assets

Macquarie Infrastructure Group (MIG) is a global investor, developer and operator of toll roads. At 30 September 2007 MIG's portfolio of toll road assets and percentage interest are set out below.

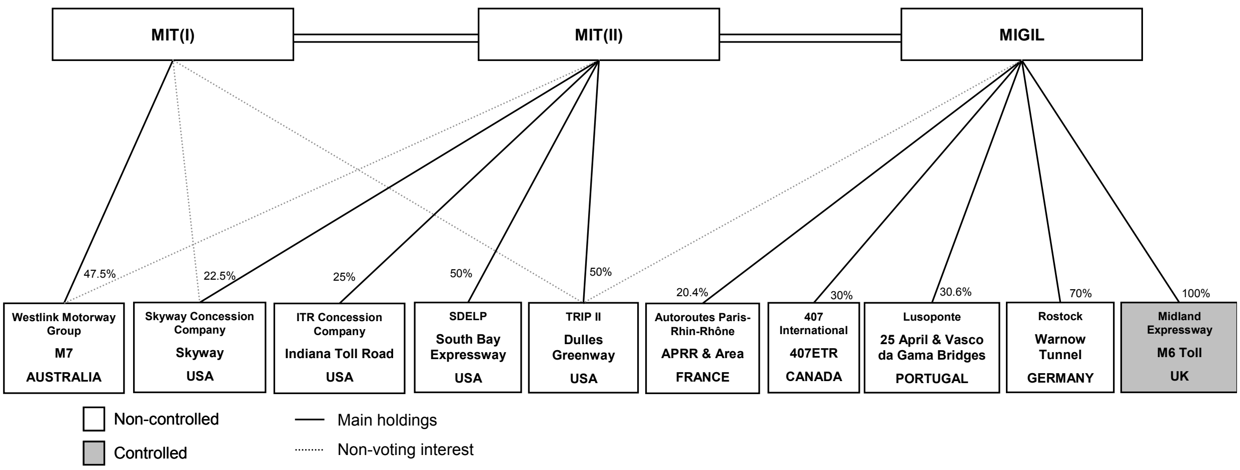
Asset	Location	Reporting currency	Date of initial acquisition	MIG's interest as at: 30 Sep 07	MIG's interest as at: 30 Sep 06
407 ETR	Canada	CAD	Oct 2004	30.0	30.0
M6 Toll	UK	GBP	Oct 1999	100.0	100.0
APRR	France	EUR	Feb 2006	20.4	20.4
Westlink M7	Australia	AUD	Feb 2003	47.5	47.5
Dulles Greenway	USA	USD	Sep 2005	50.0	100.0
Indiana Toll Road	USA	USD	Jun 2006	25.0	50.0
Chicago Skyway	USA	USD	Jan 2005	22.5	45.0
Tagus River Crossings	Portugal	EUR	Oct 1999	30.6	30.6
South Bay Expressway	USA	USD	Sep 2002	50.0	100.0
Warnow Tunnel	Germany	EUR	Dec 2000	70.0	70.0
Eastern Distributor*	Australia	AUD	Aug 1997	-	-
M5 South-West Motorway*	Australia	AUD	Dec 1996	-	-
M4 Motorway*	Australia	AUD	Dec 2002	-	-

** The Eastern Distributor, M5 South-West Motorway and M4 Motorway were demerged as Sydney Roads Group (SRG) during the September 06 quarter.*

Structure

MIG is a triple stapled security listed on the Australian Securities Exchange. Stapled securities are two or more securities that are quoted and traded as if they were a single security. A MIG stapled security consists of a unit in Macquarie Infrastructure Trust (I) (MIT(I)), a unit in Macquarie Infrastructure Trust (II) (MIT(II)) and a share in Macquarie Infrastructure Group International Limited (MIGIL).

The diagram below shows the split of MIG's portfolio of assets between the three MIG stapled entities.



Overview of MIG Management Information Report

This Report contains Proportionate Earnings and Proportionate Net Debt for the quarter ended 30 September 2007. It has been prepared using policies adopted by the directors of Macquarie Infrastructure Investment Management Limited (MIIML) and, unless stated otherwise, these policies have been consistently applied to all periods presented in this Report.

The purpose of this Report is to provide information supplementary to the MIG financial report. This Report has been prepared on a different basis to the MIG financial report. The information contained within this Report does not, and cannot be expected to, provide as full an understanding of the financial performance of MIG as the financial report. This Report should be read in conjunction with the financial reports of MIG.

Further details in relation to the preparation of this Report are set out below and in the notes on pages 8 to 10.

Proportionate Earnings

Current and prior period Proportionate Earnings information contained in this Report involves the aggregation of MIG's proportionate share in the financial results of MIG's road assets based on MIG's beneficial ownership interests. Beneficial ownership interests do not take into account control considerations, unlike MIG's consolidated financial report. Assets in which MIG has management involvement are proportionally consolidated. Proportionate Earnings are calculated as road assets' operating revenues less operating expenses, maintenance capital expenditure ('maintenance capex'), net interest expense, net tax expense, plus earnings or expenses at the MIG corporate level including any gain on sale of road assets, corporate net interest income and corporate expenses including management fees.

Proportionate Earnings are disclosed for the period and the prior corresponding period (pcp). These Earnings are referred as 'Actual Results'.

Proportionate Earnings information for the pcp is also disclosed under a proforma approach. Proforma Earnings for the pcp have been restated with the beneficial ownership percentages and foreign currency exchange rates from the current period. Proforma results are produced to allow comparisons of the operational performance of road assets between periods, as it removes the impact of changes in ownership interests and foreign currency exchange rates. The term 'underlying' used in the Operational Discussion and Analysis on p.6 and 7 refers to movements under the Proforma approach.

Proportionate Net Debt

Current and pcp Proportionate Net Debt information contained in this Report involves the aggregation of MIG's proportionate share in the net debt of all road assets in which MIG has management involvement and MIG's corporate net debt.

Proportionate Earnings

QUARTER	**Actual Results 3 months to 30 Sep 07 $m**	Proforma Results 3 months to 30 Sep 06 $m	Actual Results 3 months to 30 Sep 06 $m
Operating revenue	309.4	283.0	334.6
Operating expenses	(74.3)	(70.2)	(81.5)
EBITDA from road assets	**235.1**	**212.8**	**253.1**
Maintenance capex	(15.7)	(15.0)	(19.4)
Net interest expense	(113.8)	(166.5)	(161.1)
Net tax expense	(12.1)	(12.5)	(17.9)
Proportionate earnings from road assets	**93.4**	**18.8**	**54.7**
Gain on sale of road assets	-	-	506.0
Corporate net interest income	19.7	11.7	11.7
Corporate expenses	(21.5)	(23.2)	(23.2)
MIG proportionate earnings	**91.6**	**7.3**	**549.2**
Net debt amortisation	(27.5)	(24.4)	(25.8)
MIG proportionate earnings less allowance for debt repayment	**64.0**	**(17.1)**	**523.4**

The above Proportionate Earnings has been prepared in accordance with Note 1

Proportionate Net Debt

	Actual as at 30 Sep 07 $m	Actual as at 30 Sep 06 $m
Road assets net debt	10,234.2	12,992.7
Corporate net debt	(1,228.4)	(1,570.9)
Corporate Reset Convertible Notes (ReCNs)	-	490.0
Total net debt	**9,005.8**	**11,911.8**

The above Proportionate Net Debt has been prepared in accordance with Note 1

Operational Discussion and Analysis

Summary

MIG's underlying traffic, revenue and EBITDA from roads assets increased 2.0%, 9.3% and 10.5% respectively against pcp for the September 2007 quarter. MIG's solid results were driven by the strong performances of the French motorway network, Autoroutes Paris-Rhin-Rhône (APRR), 407 ETR and Westlink M7.

Actual movements on pcp reflect the impact of the Sydney Roads Group (SRG) demerger on 1 August 2006 and the divestment of 50% of MIG's interests in its four US road assets to MIP on 15 December 2006. A net gain of AUD506.0m, being the value realised from the SRG demerger, is recognised in the pcp quarter.

Traffic

Underlying revenue weighted average traffic was up 2.0% for the quarter. Growth in underlying traffic was driven by the completion of the two-year lane expansion project on 407 ETR, ramping up of traffic at the Westlink M7 and continued growth on APRR. Traffic on the M6 Toll in the pcp quarter was enhanced by major roadworks on the neighbouring road, the M6. As a result traffic on the M6 Toll in the current period was lower on pcp, but 5.1% above the September 2005 quarter.

Actual revenue weighted average traffic decreased 10.0% for the quarter, reflecting the impact of the SRG demerger and the 50% divestment of US road assets to MIP.

Operating revenue

Underlying operating revenue increased AUD26.4m (9.3%) for the quarter driven by the traffic and toll rate growth at APRR and 407 ETR, and the ramping up of traffic at Westlink M7 following the opening of the road on 16 January 2006.

Actual operating revenue decreased AUD25.2m (7.5%), reflecting the impacts of the SRG demerger, 50% US road asset divestment and adverse foreign exchange movements from the strengthening of AUD against CAD, EUR, GBP and USD as compared to pcp.

MIG experienced effective average underlying toll growth of 7.2% (5.3% real) for the quarter. This growth is largely the result of increases in toll rates, but is also impacted by other factors including changes to the mix of vehicle types and trip patterns.

Operating expenses

Underlying operating expenses increased AUD4.1m (5.8%) for the quarter, with higher expenses at APRR being partially offset by continued cost reductions at M6 Toll, MIG's 100% controlled asset.

Actual operating expenses for the quarter decreased AUD7.2m (8.8%) against pcp, reflecting the impact of the SRG demerger and the 50% divestment of US road assets.

EBITDA from road assets

Underlying EBITDA from road assets increased 10.5% to AUD235.1m. Underlying road assets EBITDA margin increased to 76.0% from 75.2%. The increase in EBITDA margin has been achieved through revenue growth and a number of cost control initiatives implemented across the MIG portfolio.

Maintenance capex

Underlying maintenance capex increased 5.2% for the quarter, reflecting a higher provision for maintenance capex associated with continued traffic growth. The basis of calculation of maintenance capex is outlined in Note 1 of this Report.

Net interest and tax expense

Underlying net interest expense decreased AUD52.7m (31.6%) for the quarter. Included in pcp results were one off expenses paid in connection with the regearing of the M6 Toll.

Actual net interest expense decreased AUD47.3m (29.3%) for the quarter due to the SRG demerger, 50% divestment of US assets and the regearing expenses relating to the M6 Toll incurred in the pcp.

Underlying road assets tax expense was largely unchanged. Actual tax expenses decreased as a result of the SRG demerger.

Operational Discussion and Analysis (cont)

Gain on sale of road assets

The AUD506.0m gain on sale of roads assets recognised in the pcp was referable to the SRG demerger. In this transaction MIG divested its interests in the Eastern Distributor, M5 South-West Motorway and M4 Motorway into the newly created SRG in return for consideration comprising 825m SRG securities, AUD125.0m in cash and additionally SRG assumed debt of AUD275.0m. The gain on disposal reflects the difference between the demerger/IPO value and the carrying value of the assets in MIG's books.

Corporate net interest income and expenses

Corporate net interest income increased AUD8.0m (68.2%), reflecting higher interest yields on cash in the current period and the interest expense (AUD4.9m) incurred in the pcp in relation to the AUD500m standby facility drawdown used to fund MIG's investment in the Indiana Toll Road. The AUD500m facilities were repaid in full on 25 August 2006, subsequent to completion of the M6 Toll regearing. Detail on major corporate cash movements is provided in the proportionate net debt section below.

The decrease in corporate net expenses of AUD1.7m (7.3%) relates to a reduction in management fee expense as a result of MIG's lower market capitalisation in the current quarter.

Net debt amortisation

Underlying net debt amortisation increased 12.7% on pcp due to MIG's higher proportionate net debt and EBITDA from road assets in the current quarter. The calculation of net debt amortisation is outlined in Note 1 of this Report.

Proportionate Net Debt

Actual road asset net debt decreased by AUD2,758.5m (21.2%) against pcp as a result of the 50% US road asset divestment (of Indiana Toll Road in particular).

Corporate net debt increased due to an AUD342.5m decrease in the cash balance compared with the pcp. Major cash outflows since the pcp include the on-market buyback of MIG securities (AUD764.6m) as part of MIG's Capital Management review initiatives and the distribution payments for the periods ended December 2006 and June 2007 (AUD513.4m). Cash inflows in the same period include cash proceeds from the 50% US road asset divestment in December 2006, asset distributions and returns made on short-term money market investments. In addition to the above, foreign exchange movements had an unfavourable impact on the cash balance for the current quarter.

Notes to MIG Management Information Report

1. Summary of Significant Policies

The significant policies used in the preparation of this Report are stated to assist in a general understanding of this Report.

1.1 Proportionate Earnings

The principal policies adopted in the preparation of Proportionate Earnings contained in this Report include:

Foreign exchange rates

All Proportionate Earnings information contained in this Report is disclosed in Australian dollars unless stated otherwise. Actual results are reported at quarterly average foreign currency exchange rates for the respective quarters. Under the proforma approach, pcp results are restated with quarterly average exchange rates from the current period to remove the impact of changes in foreign currency exchange rates.

MIG's beneficial ownership interest

The beneficial ownership interest of MIG for each of the road assets is calculated on a weighted average basis according to the number of days in the relevant period during which MIG held a beneficial ownership interest.

The beneficial ownership interest of MIG in the roads used in the calculation of Proportionate Earnings for the current quarter and pcp is as set out below:

Asset		MIG's beneficial ownership interest (%) for:	
	Ref	30 Sep 07 Quarter	30 Sep 06 Quarter
		%	%
407 ETR		30.0	30.0
M6 Toll		100.0	100.0
APRR		20.4	20.4
Westlink M7	1	47.5	45.1
Dulles Greenway	2	50.0	100.0
Indiana Toll Road	2	25.0	50.0
Chicago Skyway	2	22.5	45.0
Tagus River Crossings		30.6	30.6
South Bay Expressway	2	50.0	100.0
Warnow Tunnel		70.0	70.0
Eastern Distributor	3	-	23.8
M5 South-West Motorway	3	-	16.7
M4 Motorway	3	-	16.9

References:
1) MIG acquired an additional 2.5% interest in Westlink M7 on 28 September 2006.
2) The divestment of 50% of MIG's interests in its four US roads: Dulles Greenway, Chicago Skyway, Indiana Toll Road and South Bay Expressway occurred on 15 December 2006. Up to 14 December 2006, results of the four roads have been reported at MIG's pre-divestment proportionate ownerships.
3) Results of the Eastern Distributor, M5 Motorway and M4 Motorway have been included on a pro-rata basis up and including 31 July 2006.

Maintenance capex

Due to its nature, maintenance capex of road assets may fluctuate significantly from period to period and therefore this report does not reflect the actual timing of cash outflows for maintenance capex. Rather, the Proportionate Earnings includes a provision for future maintenance capex in each period.

The level of maintenance capex required is a function of road usage and therefore traffic volume is the driver for determining the provision charged to each period. The calculation allocates the total forecast future maintenance capex for a particular road over the current and all future periods to the end of the toll concession, on the basis of forecast traffic on that road (i.e. not on a straight line basis). Forecasts are reviewed and updated semi-annually to ensure appropriateness of the calculation.

Notes to MIG Management Information Report (cont'd)

1. Summary of Significant Policies (cont'd)

Net interest and tax expenses
Net interest expense includes all contractual interest expense, borrowing expense and interest income payable to/from third parties aside from those amounts capitalised and/or amortised in a given period. The amount therefore reflects the cash interest payable/receivable in respect of a particular period. Amounts in respect of shareholder loans or similar agreements are excluded from the definition of net interest expense.

Net tax expense includes the aggregate of MIG's proportionate share in the current net tax expense of each of its road assets. Deferred tax amounts are excluded.

Gain on sale of road assets
As a global investor in toll roads, MIG derives income from the management of its portfolio of road assets which includes the sale of investments. Unless otherwise stated, the gain on sale of road assets is calculated as sales proceeds (net of transaction costs) less the cost of acquisition adjusted for the road assets' Proportionate Earnings recognised in the Management Information Report from acquisition.

Corporate interest and expenses
Corporate net interest income reflects the cash amounts receivable/payable on cash balances/corporate level borrowings in respect of the period.

Corporate expenses include management fees, performance fees (to the extent that either or both are not reinvested in MIG securities) and other expenses incurred in running the business such as registry and custodian fees.

The results of Transtoll, in which MIG has a total interest of 59.5% (61.0% pcp), have been included, below 'EBITDA from assets', in the 'corporate net expense' line.

Net debt amortisation
Reflective of the fact that net debt at each asset must be repaid prior to concession end, a charge is made to amortise the net debt over the concession life. Net debt amortisation as shown does not reflect actual cash debt repayments for the period, rather, it represents a provision for amounts that will be payable at a later date, prior to concession end. The amortisation charge for each period is determined on a pro-rata basis, with EBITDA as the allocation driver. That is, the net debt, less any amortisation and maintenance capex to date, is allocated over current and future periods to the end of the concession on the basis of forecast EBITDA. Maintenance capex to date is deducted from the net balance in order to avoid a double count, given that funding of maintenance capex increases net debt. EBITDA forecasts are reviewed and updated semi-annually to ensure appropriateness of the calculation. Corporate net debt is not amortised.

1.2 Proportionate Net Debt

Net debt, being total debt less cash balances, is reported at both asset and the corporate level. Included in cash balances are restricted cash holdings. At the MIG corporate level, all distributions declared by the MIG stapled entities, but not paid at the end of the relevant period are subtracted from cash balances.

Where the profile of a debt instrument is either amortising or accretive, no adjustment is made to the principal balance presented at reporting dates which fall between specified interest capitalisation or debt amortisation dates. Therefore net debt represents principal amounts inclusive of capitalised interest only unless otherwise stated below.

Where interest rate swaps are structured to mirror a series of capital accretion bonds (e.g. Skyway), a calculation of the notional principal outstanding on these bonds is undertaken. This notional principal is incorporated in net debt consistent with the treatment above.

Net debt in relation to Real Return Bonds reflects the present value of expected future cash flows on the bonds discounted at the internal rate of return. This is as recorded in the financial statements of 407 ETR.

Where interest rate swaps have been structured to better match the payment of interest with increasing revenue (e.g. M6 Toll and Indiana Toll Road), an effective interest rate for the swap is calculated. An interest accrual is included within net debt, reflecting the difference between the cumulative interest charge using this effective interest rate and the fixed payments made to date under the interest rate swap.

Notes to MIG Management Information Report (cont'd)

2. Traffic

	QUARTER		
	Current	Pcp	Growth
407 ETR[1]			
Av Daily Rev (CAD)	1,574,543	1,321,446	19.2%
VKT (millions)	620.530	573.748	8.2%
Av Workday Trips	392,425	368,840	6.4%
Av Daily Trips	321,613	299,698	7.3%
M6 Toll			
Av Daily Rev (GBP)	171,640	168,594	1.8%
Av Workday Traffic	52,601	58,276	(9.7%)
Av Non-workday Traffic	40,535	46,667	(13.1%)
Av All day Traffic	48,929	54,742	(10.6%)
APRR (Group)			
Toll Revenue (EURm)	496	457	8.4%
LV (VKM millions)	5,382	5,244	2.6%
HV (VKM millions)	852	827	3.0%
Chicago Skyway			
Av Daily Rev (USD)	159,302	165,048	(3.5%)
Av Workday Traffic	53,324	53,287	0.1%
Av Non-workday Traffic	58,483	58,952	(0.8%)
Av All day Traffic	54,950	55,073	(0.2%)
Dulles Greenway			
Av Daily Rev (USD)	160,035	150,085	6.6%
Av Workday Traffic	63,772	66,882	(4.6%)
Av Non-workday Traffic	35,004	34,972	0.1%
Av All day Traffic	54,704	56,823	(3.7%)
Indiana Toll Road[2]			
Av Daily Rev (USD)	444,732	410,389	8.4%
All Days - Ticket	29,464	29,912	(1.5%)
All Days - Barrier	105,241	106,433	(1.1%)
Westlink M7[3]			
Av Daily Rev	446,019	372,161	19.8%
Av Workday Trips	126,135	107,184	17.7%
Av Daily Trips	112,145	96,211	16.6%
Av Daily Tolled VKT	1,435,529	1,227,039	17.0%
Av Daily Travelled VKT	1,736,356	1,483,990	17.0%
Warnow Tunnel			
Av All day Traffic	11,372	10,947	3.9%
Lusoponte			
Av Northbound Vasco da Gama	32,386	31,868	1.6%
Av Northbound 25th April	83,691	83,331	0.4%

1 With regard to 407 ETR, note that average daily revenue is based on total revenues.
2 With regard to Indiana Toll Road, note that the ticket system is reported in terms of full-length equivalent trips, and the barrier system is reported in terms of total transactions.
3 With regard to Westlink M7, average daily revenue is inclusive of GST.