INTOLL INTERNATIONAL LIMITED
(FORMERLY MACQUARIE INFRASTRUCTURE GROUP INTERNATIONAL LIMITED)
INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2009

Interim Financial Report

for the half year ended 31 December 2009

Intoll Group comprises Intoll Trust (I) (ARSN 092 863 780), Intoll Trust (II) (ARSN 092 863 548) and Intoll International Limited (ARBN 112 684 885). Intoll Management Limited (ACN 072 609 271) (AFSL 241405) is the responsible entity of Intoll Trust (I) and Intoll Trust (II).

This report is not an offer or invitation for subscription or purchase of or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making an investment in Intoll Group, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

Information, including forecast financial information, in this report should not be considered as a recommendation in relation to holding purchasing or selling shares, securities or other instruments in Intoll Group. Due care and attention has been used in the preparation of forecast information. However, actual results may vary from forecasts and any variation may be materially positive or negative. Forecasts by their very nature, are subject to uncertainty and contingencies many of which are outside the control of Intoll Group. Past performance is not a reliable indication of future performance.

Interim Financial Report
for the half year ended 31 December 2009

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Directors' Report
for the half year ended 31 December 2009

Directors' Report

The directors of Intoll International Limited (or the Company) (formerly Macquarie Infrastructure Group International Limited) submit the following report for Intoll International Limited and its controlled entities (together the Group), in respect of the half year ended 31 December 2009 (the half year).

Change of name

As part of a Group restructure, Macquarie Infrastructure Group International Limited (MIGIL) was renamed Intoll International Limited effective 2 February 2010. This interim financial report has been prepared under the name of Intoll International Limited and represents the MIGIL consolidated group's financial position as at 31 December 2009 and its performance for the financial period ended on that date.

Further information on the restructure is disclosed in this Directors' Report and Note 11.

Principal Activities and Results

This interim financial report has been prepared in accordance with International Financial Reporting Standards (IFRS).

The principal activity of the Company and its subsidiaries is the development and operation of toll roads, bridges and tunnels and investment in entities in the same industry sector.

The interim financial report is presented in Australian dollars.

Directors

The following persons held office as Directors of the Company during the half year and up to the date of this report:

- Robert Andrew Mulderig (Chairman)
- Jeffrey Gerald Conyers (Deputy Chairman)
- Dr Peter Dyer
- Eric Paul McClintock (appointed 2 February 2010)
- Mark Roderick Granger Johnson (resigned 2 February 2010)

Secretary

The following person held office as company secretary of the Company during the half year and up to the date of this report:

- Donna Phillips

Distributions

In accordance with its announcement to fund future distributions from net operating cash flows, Intoll Group (or Intoll) proposed an interim distribution for the half year ended 31 December 2009 of 2.0000 cents (2008: 10.0000 cents) per stapled security, of which 2.0000 cents (2008: 10.0000 cents) per security was paid by Intoll International Limited on 12 February 2010.

Review and Results of Operations

The performance of the Group for the period, as represented by the results of its operations, was as follows:

	6 months to 31 Dec 2009 $'000	6 months to 31 Dec 2008 $'000
Total revenue and other income from continuing activities	**357,094**	(924,246)
Profit/(loss) attributable to Intoll International Limited equity holders	**185,121**	(788,724)
	Cents	Cents
Basic earnings per security	**8.18**	(33.33)

Directors' Report
for the half year ended 31 December 2009

Events Occurring After Balance Sheet Date

Group restructure

On 2 February 2010 Intoll completed a group restructure. In effecting this, Intoll International Limited completed the following:
— demerged its interests in its toll road assets (excluding 407 ETR) and a portion of its cash holdings,
— terminated its advisory arrangements, and
— changed its name.

Demerger

Intoll International Limited's interests in the M6 Toll, APRR, Dulles Greenway and Warnow Tunnel were transferred to the newly established wholly owned subsidiary Macquarie Atlas Roads International Limited (MARIL).

The demerger was effected through an in specie distribution at fair value to Intoll security holders of one share each in MARIL and Macquarie Atlas Roads Limited (MARL) for every five Intoll stapled securities. MARIL and MARL were subsequently stapled and listed on the Australian Securities Exchange as Macquarie Atlas Roads (ASX: MQA).

Advisory arrangements

As part of the restructure implementation, Intoll also acquired Intoll Management Limited (formerly Macquarie Infrastructure Investment Management Limited), the Responsible Entity of Intoll Trust (I) (formerly Macquarie infrastructure Trust (I)) and Intoll Trust (II) (formerly Macquarie Infrastructure Trust (II)) and terminated the advisory deed between Macquarie Capital Funds (Europe) Limited and Intoll International Limited.

Change of name

Effective 2 February 2010, the name Intoll Group replaced Macquarie Infrastructure Group and its Australian Securities Exchange code was changed from MIG to ITO on 5 February 2010.

The impact of the restructure on Intoll International Limited's consolidated financial position is disclosed in Note 11.

In the opinion of the directors, there were no other significant developments within the Company and its controlled entities that occurred during the half year.

By order of the Board

Robert Mulderig
Chairman

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Independent auditor's review report to the members of Intoll International Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Intoll International Limited, which comprises of the consolidated balance sheet as at 31 December 2009, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for Intoll International Limited (the consolidated entity). The consolidated entity comprises both Intoll International Limited and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with International Financial Reporting Standards (including the International Financial Reporting Interpretations). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not prepared in all material respects in accordance with the International Accounting Standard 34 *Interim Financial Reporting.* As the auditor of the consolidated entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independent auditor's review report to the members of Intoll International Limited (continued)

Independence

In conducting our review, we have complied with the independence requirements of Australian professional ethical pronouncements.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Intoll International Limited does not:

(a) give a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

(b) comply with International Accounting Standard 34 *Interim Financial Reporting*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Wayne Andrews

Wayne Andrews
Partner

Sydney
17 February 2010

Directors' Report
for the half year ended 31 December 2009

Consolidated Income Statement

	Note	6 months to 31 Dec 2009 $'000	6 months to 31 Dec 2008 $'000
Revenue and other income from continuing activities			
Revenue from continuing activities		**68,492**	84,843
Revaluation gain/(loss) and other income from continuing activities		**288,602**	(1,009,089)
Total revenue and other income from continuing activities	2(i)	**357,094**	(924,246)
Operating expenses from continuing activities			
Finance costs		**(72,699)**	(74,896)
Other operating expenses		**(59,030)**	(90,342)
Total operating expenses from continuing activities	2(ii)	**(131,729)**	(165,238)
Profit/(loss) from continuing activities before income tax benefit/(expense)		**225,365**	(1,089,484)
Income tax benefit/(expense)		**8,441**	(112,033)
Profit/(loss) from continuing activities after income tax benefit/(expense)		**233,806**	(1,201,517)
Other comprehensive income			
Exchange differences on translation of foreign operations		**60,940**	1,041,936
Cash flow hedges, net of tax		**12,979**	(486,484)
Other comprehensive income for the half-year, net of tax		**73,919**	555,452
Total comprehensive income for the half-year		**307,725**	(646,065)
Profit/(loss) attributable to:			
Intoll International Limited equity holders		**185,121**	(788,724)
Non-controlling interest		**48,685**	(412,793)
		233,806	(1,201,517)
Total comprehensive income attributable to:			
Intoll International Limited equity holders		**276,858**	(394,948)
Non-controlling interest		**30,867**	(251,117)
		307,725	(646,065)
Earnings per security for profit/(loss) from continuing activities attributable to Intoll International Limited equity holders		**Cents**	Cents
Basic earnings per security		**8.18**	(33.33)

The above Income Statement should be read in conjunction with the accompanying notes

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Consolidated Balance Sheet

	Note	As at 31 Dec 2009 $'000	As at 30 Jun 2009 $'000
Current assets			
Cash and cash equivalents		**424,078**	413,833
Receivables		**23,991**	3,683
Prepayments		**1,679**	2,009
Total current assets		**449,748**	419,525
Non-current assets			
Derivative financial instruments		**13,400**	-
Investments in financial assets	4	**4,623,564**	4,481,589
Property, plant and equipment		**1,034,614**	1,188,529
Tolling concessions		**34,826**	39,933
Total non-current assets		**5,706,404**	5,710,051
Total assets		**6,156,152**	6,129,576
Current liabilities			
Distribution payable	3	**(45,235)**	-
Payables		**(43,898)**	(36,660)
Derivative financial instruments		**(61,833)**	(63,831)
Total current liabilities		**(150,966)**	(100,491)
Non-current liabilities			
Payables		**(179,132)**	(184,503)
Interest-bearing financial liabilities	5	**(2,256,146)**	(2,512,049)
Derivative financial instruments		**-**	(4,949)
Deferred tax liabilities		**(78,913)**	(99,079)
Total non-current liabilities		**(2,514,191)**	(2,800,580)
Total liabilities		**(2,665,157)**	(2,901,071)
Net assets		**3,490,995**	3,228,505
Equity			
Intoll International Limited equity holders' interest			
Contributed equity	6	**5,515,942**	5,515,942
Reserves	7	**(2,714,308)**	(2,806,045)
Retained profits	8	**510,376**	370,490
Total Intoll International Limited equity holders' interest		**3,312,010**	3,080,387
Non-controlling interest in controlled entities		**178,985**	148,118
Total equity		**3,490,995**	3,228,505

The above Balance Sheet should be read in conjunction with the accompanying notes

This financial information was approved by the Board of Directors on 17 February 2010 and was signed on its behalf by:

R Mulderig
Director

P Dyer
Director

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Consolidated Statement of Changes in Equity

	Note	Attributable to Intoll International Limited equity holders					
		Contributed equity $'000	Reserves $'000	Retained earnings $'000	**Total $'000**	Non-controlling interest $'000	**Total equity $'000**
Total equity at 1 July 2009		5,515,942	(2,806,045)	370,490	**3,080,387**	148,118	**3,228,505**
Profit for the period		-	-	185,121	**185,121**	48,685	**233,806**
Exchange differences on translation of foreign operations		-	78,758	-	**78,758**	(17,818)	**60,940**
Cash flow hedges, net of tax		-	12,979	-	**12,979**	-	**12,979**
Total comprehensive income		-	91,737	185,121	**276,858**	30,867	**307,725**
Transactions with equity holders in their capacity as equity holders:							
Distributions provided for or paid	3	-	-	(45,235)	**(45,235)**	-	**(45,235)**
		-	-	(45,235)	**(45,235)**	-	**(45,235)**
Total equity at 31 December 2009		**5,515,942**	**(2,714,308)**	**510,376**	**3,312,010**	**178,985**	**3,490,995**
Total equity at 1 July 2008		5,721,318	(3,090,738)	1,662,198	4,292,778	736,204	5,028,982
Profit for the period		-	-	(788,724)	(788,724)	(412,793)	(1,201,517)
Exchange differences on translation of foreign operations		-	880,260	-	880,260	161,676	1,041,936
Cash flow hedges, net of tax		-	(486,484)	-	(486,484)	-	(486,484)
Total comprehensive income		-	393,776	(788,724)	(394,948)	(251,117)	(646,065)
Transactions with equity holders in their capacity as equity holders:							
Securities cancelled pursuant to security buy-back (including transaction costs)		(150,779)	-	-	(150,779)	-	(150,779)
Distributions provided for or paid	3	-	-	(231,477)	(231,477)	(23,301)	(254,778)
		(150,779)	-	(231,477)	(382,256)	(23,301)	(405,557)
Total equity at 31 December 2008		5,570,539	(2,696,962)	641,997	3,515,574	461,786	3,977,360

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Interim Financial Report
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Consolidated Cash Flow Statement

	6 months to 31 Dec 2009 $'000	6 months to 31 Dec 2008 $'000
Cash flows from operating activities		
Toll revenue received	**65,698**	77,566
Interest received	**5,356**	16,246
Net indirect taxes paid	**(8,461)**	(6,533)
Payments to suppliers and employees (inclusive of GST/VAT)	**(9,677)**	(17,782)
Adviser's fees paid	**(13,067)**	(25,373)
Distributions, dividends and interest income from investments	**31,203**	87,236
Income taxes paid	**-**	(145)
Other income received	**748**	2,482
Net cash flows from operating activities	**71,800**	133,697
Cash flows from investing activities		
Purchase of fixed assets	**(710)**	(796)
Proceeds from sale of property, plant and equipment	**-**	56
Proceeds from return of capital from investments	**-**	944
Net cash flows from investing activities	**(710)**	204
Cash flows from financing activities		
Borrowing costs paid	**(33,751)**	(36,840)
Proceeds from bank borrowings	**594**	616
(Repayment)/receipt of related entity loans	**(16,301)**	35,271
Distributions paid to Intoll International Limited equity holders	**-**	(240,384)
Distributions paid to non-controlling interests	**-**	(23,301)
On-market buyback	**-**	(150,779)
Net cash flows from financing activities	**(49,458)**	(415,417)
Net increase/(decrease) in cash assets held	**21,632**	(281,516)
Cash and cash equivalents at the beginning of the half year	**413,833**	754,473
Effects of exchange rate movements on cash and cash equivalents	**(11,387)**	50,501
Cash and cash equivalents at the end of the half year	**424,078**	523,458

The above Cash Flow Statement should be read in conjunction with the accompanying notes

Notes to the Consolidated Financial Statements

1 Summary of Significant Accounting Policies

The significant policies which have been adopted in the preparation of the interim financial statements are stated to assist in a general understanding of this interim financial report.

(a) Basis of preparation

This interim financial report for the half year ended 31 December 2009 has been prepared in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting.*

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of Macquarie Infrastructure Group for the year ended 30 June 2009, which has been prepared in accordance with International Financial Reporting Standards (IFRS) and applicable interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

The principal accounting policies adopted in the preparation of the interim financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value through profit or loss. The most significant of these are the Company's non-controlled investments in toll road assets. Further information on the valuation of these investments is disclosed in Note 1(d), Note 1 (i) and Note 4. This includes details of key estimates and assumptions incorporated into the valuations and information on the sensitivity of the valuations to changes in those estimates and assumptions.

Stapled security

The units of Intoll Trust (I) (formerly Macquarie Infrastructure Trust (I)) and Intoll Trust (II) (formerly Macquarie Infrastructure Trust (II)) and the shares of Intoll International Limited are combined and issued as stapled securities in Intoll Group. The units of Intoll Trust (I) and Intoll Trust (II) and the shares of Intoll International Limited cannot be traded separately and can only be traded as stapled securities.

Change of name

As part of a Group restructure, Macquarie Infrastructure Group International Limited (MIGIL) was renamed Intoll International Limited effective 2 February 2010. This interim financial report has been prepared under the name of Intoll International Limited and represents the MIGIL consolidated group's financial position as at 31 December 2009 and its performance for the financial period ended on that date.

Further information on the restructure is disclosed in Note 11.

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Intoll International Limited at 31 December 2009 and the results of all controlled entities for the half year then ended. The effects of all transactions between entities in the consolidated Group are eliminated in full. Non-controlling interests in the results and equity are shown separately in the Income Statement and the Balance Sheet respectively. Non-controlling interests are those interests in partly owned subsidiaries, which are not held directly or indirectly by Intoll International Limited.

Where control of an entity is obtained during a financial period, its results are included in the Income Statement from the date on which control commences. Where control of an entity ceases during a financial period, its results are included for that part of the period during which control existed.

1 Summary of Significant Accounting Policies (continued)

(c) Revenue and Other Income Recognition

Revaluation of investments in financial assets represents changes in the fair value of investments in unlisted securities, partnerships and interest bearing debt securities. Income relating to these investments is brought to account as described in Note 1(d).

Interest income on cash balances is brought to account on an accruals basis and toll revenue is recognised when the service is provided. Other revenue is recognised when the fee in respect of services provided is receivable.

Toll revenue and other revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of value added tax (VAT).

(d) Investments in Financial Assets at Fair Value through Profit or Loss

Intoll International Limited has designated its non-controlled investments in toll road assets as financial assets at fair value through profit or loss. Investments in financial assets are revalued at each reporting date or when there is a change in the nature of the investment, to their fair values in accordance with IAS 39 *Financial Instruments: Recognition and Measurement.* Changes in the fair values of investments in financial assets, both positive and negative have been recognised in the Income Statement.

Investments have been measured as follows:

Interests in partnerships and unlisted securities in companies

Intoll International Limited, as a mutual fund company, has designated those infrastructure investments that are associated undertakings, as financial assets at fair value through profit or loss in line with IAS 39.

Interests in unlisted securities in companies and partnerships are brought to account at fair value, determined in accordance with a valuation framework adopted by the directors. Discounted cash flow analysis is the methodology applied in the valuation framework as it is the generally accepted methodology for valuing toll roads, bridges and tunnels and the basis upon which market participants have derived valuations for toll road transactions.

Discounted cash flow analysis is the process of estimating future cash flows that are expected to be generated by an asset and discounting these cash flows to their present value by applying an appropriate discount rate. The discount rate applied to the cash flows of a particular asset comprises the risk free interest rate appropriate to the country in which the asset is located and a risk premium, reflecting the uncertainty associated with the cash flows and/or the return over the risk free rate which an investor would require on the asset.

Intoll International Limited engages independent traffic forecasting experts to provide a view on the most likely level of traffic to use the toll road having regard to a wide range of factors including the development of the surrounding road network, economic growth in the traffic corridor and people's willingness to pay specific toll levels based on the perceived benefits they gain from using the toll road.

The risk free rate for each asset is determined using the yields on 10 year nominal government bonds in the relevant jurisdiction at the valuation date.

The valuation derived from the discounted cash flow analysis is periodically benchmarked to other sources such as recent market transactions to ensure that the discounted cash flow valuation is providing a reliable measure.

Interest, dividends and other distributions received from investments brought to account at fair value are credited against the investments when received.

Interests in interest bearing debt securities

Interests in interest bearing debt securities are measured at fair value, determined in accordance with a valuation framework adopted by the directors. Discounted cash flow analysis is the methodology applied in the valuation framework. Adjustments to the fair value of interest bearing financial assets are recognised in the Income Statement.

1 Summary of Significant Accounting Policies (continued)

(e) Loans and Receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost. Interest income from loans and receivables is recognised using the effective interest method.

Receivables are generally received within 30 days of becoming due and receivable. A provision is raised for any doubtful debts based on a review of all outstanding amounts at period end. Bad debts are written off in the period in which they are identified.

(f) Intangible Assets - Tolling Concessions

Tolling concessions are intangible assets and represent the right to levy tolls in respect of controlled motorways.

Tolling concessions have a finite useful life by the terms of the concession arrangement and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method to allocate the cost of tolling concessions over their estimated useful lives.

(g) Interest Bearing Financial Liabilities

Subsequent to initial recognition at fair value, net of transaction costs incurred, interest bearing financial liabilities are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective interest method based on the lesser of the expected or contractual life.

(h) Foreign Currency Translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Australian dollars, which is Intoll International Limited's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

Group companies

The results and financial position of all of the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each Income Statement are translated at exchange rates at the dates of transactions or at an average rate as appropriate; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised initially in a separate component of equity. When a foreign operation is disposed of or borrowings that form part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the Income Statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

1 Summary of Significant Accounting Policies (continued)

(i) Critical Accounting Estimates and Judgement

The preparation of the interim financial report in accordance with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including reasonable expectations of future events. The directors believe the estimates used in preparation of the interim financial report are reasonable. Actual results in the future may differ from those reported.

Investments in financial assets at fair value through profit or loss

Interests in financial assets are brought to account at fair value determined in accordance with the discounted cash flow analysis methodology adopted by the directors. Discounted cash flow is the process of estimating future cash flows that are expected to be generated by an asset and discounting these cash flows to their present value by applying an appropriate discount rate. The key assumptions used in calculating the fair value are therefore the future cash flows that are expected to be generated by an asset, the future financing costs of the asset and the appropriate discount rate.

Further information on the valuation of investments in financial assets can be found in Note 1(d) and information on the sensitivity of the valuations to the key assumptions is included in Note 4.

Derivative financial instruments

The fair values of over-the-counter derivatives are determined using valuations techniques adopted by the directors with assumptions that are based on market conditions existing at each balance sheet date. The fair values of interest rate swaps are calculated as the present values of the estimated future cash flows.

Income tax

The Group is subject to income taxes in jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises anticipated tax liabilities based on its current understanding of the tax law.

In addition, the Group has recognised deferred tax assets relating to carried forward losses to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same subsidiary against which the unused tax losses can be utilised. The utilisation of tax losses depends on the ability of the entity to satisfy certain tests at the time the losses are recouped.

(j) Accounting Standards and Interpretations issued but not effective at 31 December 2009

IFRS 9 Financial Instruments

IFRS 9 *Financial Instruments* is effective for annual reporting periods beginning on or after 1 January 2013. IFRS 9 addresses the classification and measurement of financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 and the Group is yet to assess its full impact. The Group has not yet decided whether to early adopt IFRS 9.

(k) Comparative Figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

Interim Financial Report
for the half year ended 31 December 2009

2 Profit/(Loss) for the Half Year

The profit/(loss) from continuing activities before taxation includes the following specific items of revenue, revaluation, and expense:

(i) Revenue and other income from continuing activities

	6 months to 31 Dec 2009 $'000	6 months to 31 Dec 2008 $'000
Revenue from continuing activities		
Interest income:		
Related parties	**53**	172
Other persons and corporations	**5,347**	16,340
Toll revenue	**55,859**	65,250
Other revenue	**7,233**	3,081
Total revenue from continuing activities	**68,492**	84,843
Revaluation gain/(loss) from continuing activities		
Revaluation of interests in unlisted securities in companies and partnerships designated at fair value through profit or loss	**271,088**	(1,002,047)
Revaluation of interest bearing financial assets designated at fair value through profit or loss	**16,726**	(90,794)
Net foreign exchange gain	**-**	41,587
Total revaluation gain/(loss) from continuing activities	**287,814**	(1,051,254)
Net foreign exchange gain	**788**	42,165
Total other income from continuing activities	**788**	42,165
Total revaluation gain/(loss) and other income from continuing activities	**288,602**	(1,009,089)
Total revenue and other income from continuing activities	**357,094**	(924,246)

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for the half year ended 31 December 2009

2. Profit/(Loss) for the Half Year (continued)

(ii) Operating expenses from continuing activities

	6 months to 31 Dec 2009 $'000	6 months to 31 Dec 2008 $'000
Finance costs		
Interest paid:		
Other persons and corporations	**72,699**	74,896
Other operating expenses		
Amortisation of tolling concessions	**412**	495
Depreciation:		
Plant and equipment	**2,531**	3,063
Land and buildings	**427**	514
M6 Toll road	**11,975**	12,876
	14,933	16,453
Cost of operations:		
Employment costs	**4,983**	5,547
Operating expenses	**2,935**	3,798
Operating lease rentals	**16,386**	22,454
	24,304	31,799
Other operating expenses:		
Consulting and administration fees	**3,482**	1,542
Adviser's base fees	**13,146**	19,291
Loss on derivative financial instruments	**742**	16,242
Other expenses	**2,011**	4,520
	19,381	41,595
Total other operating expenses	**59,030**	90,342
Total operating expenses from continuing activities	**131,729**	165,238

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3 Distributions Paid and Proposed

	6 months to 31 Dec 2009 $'000	6 months to 31 Dec 2008 $'000
The distributions were paid/payable as follows:		
Final distribution paid for the year ended 30 June	-	240,384
Interim distribution proposed and payable for the half year ended 31 December (*)	45,235	231,477
	45,235	471,861
	Cents per security	Cents per security
Final distribution paid for the year ended 30 June	-	10.0000
Interim distribution payable for the half year ended 31 December	2.0000	10.0000
	2.0000	20.0000

(*) This amount was paid by Intoll International Limited to equity holders on 12 February 2010.

4 Investments in Financial Assets at Fair Value through Profit or Loss

Intoll International Limited, as a mutual fund company, has elected to use the exemption available under IAS 28 *Investments in Associates*, and designated those infrastructure investments that are associated undertakings, as financial assets at fair value through profit or loss in accordance with IAS 39. Refer to Note 1(d).

The table below summarises the movements in Intoll International Limited's investment in financial assets during the half year ended 31 December 2009.

	Balance at 1 July 2009 $'000	Returns from Investments Note (i) $'000	FX Effects Note (ii) $'000	Revaluations $'000	Balance at 31 Dec 2009 $'000
Interests in unlisted securities in companies and partnerships.					
407 International Inc. (407 ETR)	3,283,876	(30,546)	(9,996)	187,986	**3,431,320**
Financière Eiffarie SAS (APRR) - Note (iii)	543,360	-	(44,357)	82,958	**581,961**
Warnowquerung GmbH (Warnow Tunnel) - Note (iv)	1,300	-	(109)	144	**1,335**
	3,828,536	(30,546)	(54,462)	271,088	**4,014,616**
Interests in interest bearing financial assets					
Financière Eiffarie SAS (APRR) Bonds - Note (iii)	351,793	(657)	(29,220)	19,873	**341,789**
Dulles Greenway Subordinated Loans	301,260	-	(30,954)	(3,147)	**267,159**
	653,053	(657)	(60,174)	16,726	**608,948**
Total investments	4,481,589	(31,203)	(114,636)	287,814	**4,623,564**

At 31 December 2009, the total value of Intoll International Limited's investments in financial assets was $4,623.6 million. The values of these investments, which are unlisted, have been determined by discounted cash flow analyses in accordance with the valuation framework adopted by the directors. Refer to Note 1(d).

4 Investments in Financial Assets at Fair Value through Profit or Loss (continued)

The investment valuation sensitivity to movements in discount rates, revenue forecasts and project level interest rates is disclosed in the table below.

	31 Dec 2009 50 bps lower $ million	31 Dec 2009 50 bps higher $ million	30 Jun 2009 50 bps lower $ million	30 Jun 2009 50 bps higher $ million
Change in valuation of investments due to movement in discount rates	**529.2**	**(456.5)**	501.4	(431.3)

	31 Dec 2009 5% lower $ million	31 Dec 2009 5% higher $ million	30 Jun 2009 5% lower $ million	30 Jun 2009 5% higher $ million
Change in the valuation of investments due to movement in revenue forecasts	**(526.6)**	**536.6**	(511.7)	521.0

	31 Dec 2009 50 bps lower $ million	31 Dec 2009 50 bps higher $ million	30 Jun 2009 50 bps lower $ million	30 Jun 2009 50 bps higher $ million
Change in the valuation of investments due to movement in interest rates	**68.3**	**(66.9)**	71.8	(72.8)

Notes to Investments in Financial Assets at Fair Value through Profit or Loss

(i) Returns from Investments

Distributions or receipts from the investments are credited directly against the investment when received.

(ii) Foreign Exchange (FX) Effects

Investments in toll road companies are held by Group entities that have the same functional currency as the asset. FX effects resulting from translation of the entity's assets and liabilities are taken to the Foreign Currency Translation Reserve. Refer to Note 1 (h).

(iii) Financière Eiffarie (APRR)

The Group's interest in APRR is held through Macquarie Autoroutes de France SA (MAF) and MAF Finance Sarl (MFS), in each of which it holds 50% + one share. Macquarie European Infrastructure Fund (MEIF), another Macquarie managed fund, holds the balance of the shares in MAF and MFS.

Under the terms of the MAF shareholders agreement, MEIF has a put/call option allowing MEIF to call the Group's interests in MAF and MFS, or put MEIF's interests in MAF and MFS to the Group, both at fair market value. This option is exercisable if the MAF Advisory Agreement is terminated and the Group is not managed by a Macquarie Group entity.

MAF loses its right to appoint directors to the Financière Eiffarie board in the event that MAF ceases to be managed by a Macquarie Group entity and if, in addition, MAF is not at least 50% owned by a Macquarie Group managed entity, then Eiffage would be entitled to exercise a call option in respect of all of MAF's shares in Financière Eiffarie, at fair market value.

The Group restructure outlined in Note 11 did not trigger the clauses described in this note as MAF continues to be managed by a Macquarie Group entity.

(iv) Warnowquerung GmbH

A subsidiary of the Group, European Transport Investments (UK) Limited (ETIUK), beneficially owns 70% of both the Warnowquerung partnership and the General Partner (GP) of the partnership which have contracted to build, own and operate a tolled tunnel in Rostock, Germany. The agreement is structured such that any decision made in regard to the financial and operational policies requires 75% of the voting members to proceed. As a result the Group does not control Warnowquerung GmbH.

4 Investments in Financial Assets at Fair Value through Profit or Loss (continued)

Notes to Investments in Financial Assets at Fair Value through Profit or Loss (continued)

(v) Discount Rates

The discount rates applied to the discounted cash flow forecasts of the Groups' investments in financial assets are as follows:

	31 December 2009	30 June 2009
407 ETR	**9.50%**	9.50%
APRR	**13.50%**	13.50%
Warnow Tunnel	**12.50%**	12.50%
Dulles Greenway	**13.00%**	12.50%

The differentials between the discount rates applied across the portfolio reflect the different levels of inherent risk in the forecast cash flows for each asset. Discount rates used for the purposes of the Group's valuations are benchmarked to recent market transactions where available. In the current dislocated market, returns required by direct investors have been observed to be higher than in stable market conditions.

5 Interest Bearing Financial Liabilities

	Note	**31 Dec 2009 $'000**	30 Jun 2009 $'000
Non-current			
Non-recourse loans	(i)	**1,838,049**	2,077,034
Accrued interest rate swap liability	(ii)	**159,326**	152,539
Loan from non-controlling interest	(iii)	**258,771**	282,476
		2,256,146	2,512,049
The maturity profile of the above interest bearing financial liabilities is:			
Due within one year		**-**	-
Due between one and five years		**20,949**	24,580
Due after five years		**2,235,197**	2,487,469
		2,256,146	2,512,049

The fair values of interest bearing liabilities, other than non-recourse loans, approximate their carrying values. The fair value of non-recourse loans at 31 December 2009 was $1,583.9 million. The difference of $254.1 million to the carrying amount is attributable to higher credit margins observed on recent market transactions of similar debt.

5 Interest Bearing Financial Liabilities (continued)

Notes

(i) Non-recourse loans

The consolidated financial statements incorporate interest-bearing financial liabilities raised by controlled project entities to finance the construction of infrastructure assets. These project-related liabilities are non-recourse to the wider Group.

The non-recourse loans represent Macquarie Motorway Group Limited's (MMG), a subsidiary of the Group, debt facilities of £1.03 billion ($1.85 billion) (excluding capitalised borrowing costs) relating to the M6 Toll. Interest expense on the non-recourse loans is calculated by applying the effective interest rate of 6.58% to the liability component.

Interest on the drawn facilities is charged at a margin over the London Inter Bank Offer Rate (LIBOR). At 31 December 2009 the interest rate was 2.61%. The facilities are due for repayment in 2015 with a cash sweep commencing 2012 and comprise a £1.00 billion ($1.80 billion) term loan and a £30.0 million ($54.0 million) capital expenditure facility.

Under the terms of MMG's debt facilities, a change of control is deemed to occur if a member or members of the Macquarie Group cease to control, directly or indirectly, more than 50% of MMG. While MMG is owned by an entity that is managed or advised by Macquarie (which is currently the case), it is deemed to be controlled by Macquarie Group for the purposes of this provision.

If a change of control is triggered, individual lenders may determine that their portions of the loan are immediately due and payable, and lenders representing two-thirds of secured amounts including swap exposures may accelerate repayment of the entire loan. Acceleration of the repayment of the loans made under the debt agreements would also cause a termination event under the swap agreements.

The Group restructure outlined in Note 11 did not trigger a change of control event as Macquarie Group continues to control MMG under the terms of the debt facility.

At 31 December 2009, the term loan was fully drawn down and £8.2 million ($14.7 million) of the capital expenditure facility had been drawn down. The facilities have certain covenants attached and are secured by way of debentures over the assets of Midland Expressway Limited, a subsidiary company. Interest rate hedging has been put in place in relation to 100% of the face value of the term loan to 2036.

(ii) Accrued interest rate swap liability

The swap liability represents a separate element associated with the MMG 30 year interest rate hedge. This reflects the fact that fixed payments currently being paid under the swap contracts are less than the effective swap rate. As at 31 December 2009, this element incurs fixed interest at 3.6% per annum.

(iii) Loan from Non-controlling Interest

The shareholder loan from MEIF Luxembourg Holdings S.A to MAF has a nominal value of €162.4 million ($258.8 million) and interest is charged at a floating rate at a margin over the Euro Inter Bank Offer Rate (EURIBOR). The loan is due for repayment in 2033.

As at 31 December 2009, the interest rate was 6.51%.

6 Contributed Equity

	31 Dec 2009 $'000 (Half year)	30 Jun 2009 $'000 (Full year)
On issue at the beginning of the period	**5,515,942**	5,721,318
Cancelled pursuant to:		
Security buy-back (including transaction costs)	**-**	(205,376)
On issue at the end of the period	**5,515,942**	5,515,942
	Number of securities '000	Number of securities '000
On issue at the beginning of the period	**2,261,732**	2,403,834
Cancelled pursuant to:		
Security buy-back	**-**	(142,102)
On issue at the end of the period	**2,261,732**	2,261,732

7 Reserves

	31 Dec 2009 $'000 (Half year)	30 Jun 2009 $'000 (Full year)
Balance of reserves		
Hedging reserve - cash flow hedges	**(87,784)**	(100,763)
Foreign currency translation reserve	**375,443**	296,685
Other reserve	**(3,001,967)**	(3,001,967)
	(2,714,308)	(2,806,045)
Movements of reserves		
Hedging reserve – cash flow hedges		
Balance at the beginning of the period	**(100,763)**	91,622
Revaluation (gross) on interest rate swap contracts	**12,979**	(228,960)
Deferred tax liability recognised on interest rate swap contracts	**-**	36,575
Balance at the end of the period	**(87,784)**	(100,763)
Foreign currency translation reserve		
Balance at the beginning of the period	**296,685**	(180,393)
Net exchange differences on translation of foreign controlled operations	**78,758**	477,078
Balance at the end of the period	**375,443**	296,685
Other reserve		
Balance at the beginning of the period	**(3,001,967)**	(3,001,967)
Movement in other reserve during the period	**-**	-
Balance at the end of the period	**(3,001,967)**	(3,001,967)

8 Retained Profits

	31 Dec 2009 $'000 (Half year)	30 Jun 2009 $'000 (Full year)
Balance at the beginning of the period	**370,490**	1,662,198
Profit/(loss) attributable to Intoll International Limited equity holders	**185,121**	(1,060,231)
Distributions paid and proposed	**(45,235)**	(231,477)
Balance at the end of the period	**510,376**	370,490

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9 Operating Segments

The directors of Intoll International Limited have determined the operating segments based on the reports reviewed by the chief operating decision maker, being the Board of Intoll International Limited.

The Board considers the business from the aspect of each of the toll road portfolio assets and has identified five operating segments. The segments are the investments in M6 Toll, 407 ETR, APRR, Dulles Greenway and Warnow Tunnel.

The operating segment note discloses the revaluation income/(loss) by individual portfolio asset. The Board is provided a monthly basis with performance information on each asset, in its capacity as chief operating decision maker, to monitor the portfolio asset fair values.

	M6 Toll $'000	407 ETR $'000	APRR $'000	Dulles Greenway $'000	Warnow Tunnel $'000
31 December 2009					
Segment revaluation gain/(loss)	**38,753**	**187,986**	**102,831**	**(3,147)**	**144**
Segment toll road assets at fair value	**389,387**	**3,431,320**	**923,750**	**267,159**	**1,335**
31 December 2008					
Segment revaluation loss	(938,747)	(191,160)	(784,715)	(112,964)	(184)
Segment toll road assets at fair value	1,201,541	3,571,406	1,533,675	302,031	1,848

A reconciliation of Intoll International Limited segment revaluation gain/(loss) to its loss from continuing activities before income tax, and of segment assets to total assets is provided as follows:

	M6 Toll $'000	407 ETR $'000	APRR $'000	Dulles Greenway $'000	Warnow Tunnel $'000	Other $'000	Total $'000
31 December 2009							
Segment revaluation gain/(loss)	38,753	187,986	102,831	(3,147)	144	-	326,567
Revaluation gain/(loss) on consolidated toll road assets	(38,753)	-	-	-	-	-	(38,753)
Revenue and other income from consolidated toll road assets	58,395	-	-	-	-	-	58,395
Unallocated revenue	-	-	-	-	-	10,885	10,885
Total revenue and other income from continuing activities	**58,395**	**187,986**	**102,831**	**(3,147)**	**144**	**10,885**	**357,094**
Operating expenses from consolidated toll road assets	(104,111)	-	-	-	-	-	(104,111)
Unallocated expenses	-	-	-	-	-	(27,618)	(27,618)
Profit/(loss) from continuing activities before income tax expense	**(45,716)**	**187,986**	**102,831**	**(3,147)**	**144**	**(16,733)**	**225,365**
Toll road assets at fair value	389,387	3,431,320	923,750	267,159	1,335	-	5,012,951
Fair value of consolidated toll road assets	(389,387)	-	-	-	-	-	(389,387)
Consolidated toll road assets	1,130,803	-	-	-	-	-	1,130,803
Unallocated assets	-	-	-	-	-	401,785	401,785
Total assets	**1,130,803**	**3,431,320**	**923,750**	**267,159**	**1,335**	**401,785**	**6,156,152**

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9 Operating Segments (continued)

	M6 Toll $'000	407 ETR $'000	APRR $'000	Dulles Greenway $'000	Warnow Tunnel $'000	Other $'000	Total $'000
31 December 2008							
Segment revaluation gain/(loss)	(938,747)	(191,160)	(784,715)	(112,964)	(184)	-	(2,027,770)
Revaluation gain/(loss) on consolidated toll road assets	938,747	-	-	-	-	-	938,747
Revenue and other income from consolidated toll road assets	69,800	-	-	-	-	-	69,800
Unallocated revenue	-	-	-	-	-	94,977	94,977
Total revenue and other income from continuing activities	69,800	(191,160)	(784,715)	(112,964)	(184)	94,977	(924,246)
Operating expenses from consolidated toll road assets	(110,709)	-	-	-	-	-	(110,709)
Unallocated expenses	-	-	-	-	-	(54,529)	(54,529)
Loss from continuing activities before income tax expense	(40,909)	(191,160)	(784,715)	(112,964)	(184)	40,448	(1,089,484)
Toll road assets at fair value	1,201,541	3,571,406	1,533,675	302,031	1,848	-	6,610,501
Fair value of consolidated toll road assets	(1,201,541)	-	-	-	-	-	(1,201,541)
Consolidated toll road assets	1,328,091	-	-	-	-	-	1,328,091
Unallocated assets	-	-	-	-	-	680,911	680,911
Total assets	1,328,091	3,571,406	1,533,675	302,031	1,848	680,911	7,417,962

10 Contingent Liabilities

Intoll International Limited had the following contingent liabilities at the balance date. No provisions have been raised against these items unless stated below.

Warnow Tunnel

European Transport Investments (UK) Limited (ETI), a subsidiary of the Group, has made two separate guarantees, totalling €1.19 million ($1.90 million), in the event of a senior debt payment event of default by Warnowquerung GmbH & Co. KG, the owner of the Rostock Fixed Crossing Concession. The Group believes it is unlikely to have to make these contributions.

This contingent commitment is backed by an on-demand guarantee, provided through a blocked account into which €1.19 million ($1.90 million) has been deposited. These funds are restricted and are not accessible.

11 Events Occurring After Balance Sheet Date

Interim Distribution

An interim distribution of 2.0000 cents (2008: 10.0000 cents) per stapled security was paid by Intoll on 12 February 2010, of which 2.0000 cents (2008: 10.0000 cents) per security was paid by Intoll International Limited.

Group restructure

On 2 February 2010 Intoll completed a Group restructure. In effecting this, Intoll International Limited completed the following:

- demerged its interests in its toll road assets (excluding 407 ETR) and a portion of its cash holdings,
- terminated its advisory arrangements, and
- changed its name.

Demerger

Intoll International Limited's interests in the above assets were transferred to a newly established wholly owned subsidiary Macquarie Atlas Roads International Limited (MARIL).

The demerger was effected through an in specie distribution at fair value to Intoll security holders of one share each in MARIL and Macquarie Atlas Roads Limited (MARL) for every five Intoll stapled securities. MARIL and MARL were subsequently stapled and listed on the Australian Securities Exchange as Macquarie Atlas Roads (ASX: MQA).

Management Arrangements

As part of the restructure implementation, Intoll also acquired Intoll Management Limited, the Responsible Entity of Intoll Trust (I) and Intoll Trust (II) and terminated the advisory deed between Macquarie Capital Funds (Europe) Limited and Intoll International Limited.

Change of name

Effective 2 February 2010, the name Intoll Group replaced Macquarie Infrastructure Group and its Australian Securities Exchange code was changed from MIG to ITO on 5 February 2010.

The impact of the restructure on Intoll International Limited's consolidated financial position is outlined below:

- $44.9 million facilitation fee was paid to Macquarie for the implementation of the restructure including provision of transition services.
- $25.4 million advisory fee payable to Macquarie as financial adviser on the restructure was incurred. This represents an estimate of the completion fee of 1% of the post restructure market capitalisation of Intoll.
- $1.3 billion in specie distribution to Intoll ordinary security holders.
- An estimated $1.6 billion gain on demerger of controlled entities.

Since the end of the half year, the directors are not aware of any other matter or circumstance not otherwise dealt with in the interim financial report that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in periods subsequent to the half year ended 31 December 2009.