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ASX/MEDIA RELEASE

Macquarie Infrastructure Group in Friendly Offer for Infratil Australia Limited

Macquarie Infrastructure Investment Management Limited (“MIIML”), the Manager of Macquarie Infrastructure Group, today announced that Macquarie Infrastructure Australia Pty Limited, a wholly owned subsidiary of Macquarie Infrastructure Group (collectively “MIG”) would be making a friendly takeover cash offer for Infratil Australia Limited (“Infratil”) subject to the conditions contained in the annexure to this announcement.

Infratil is an infrastructure investment company with investments in Australian airports, seaports and power assets.

Infratil is currently subject to a hostile takeover scrip offer by the Australian Infrastructure Fund.

MIG’s cash offer of \$0.90 per share, which has been recommended by the Board of Infratil, in the absence of any more attractive alternative offer, values Infratil at approximately \$304 million. MIG conducted a detailed valuation of the Infratil assets to determine the fair value on which this offer price is based.

Commenting on the offer, Mr. Anthony Kahn, Managing Director of MIIML, said that the combination of MIIML’s asset management skills and the nature of Infratil’s assets would give MIG’s unit holders access to considerable value creation opportunities, while at the same time allowing Infratil shareholders to receive a considerable premium on recent share prices.

MIG’s current strategy is to invest in patronage based infrastructure assets. With the exception of the power assets, Infratil’s assets strongly complement the MIG portfolio. It is MIG’s intention to dispose of the power assets within twelve months of acquisition.

Mr. Kahn pointed out that Infratil’s assets, and particularly the airports, had performance characteristics complementary to MIG’s existing toll road investments with added potential for stronger long-term growth.

Subject to MIG being successful in its takeover offer for Infratil, MIIML's parent Macquarie Bank Limited intends to concurrently acquire the assets, staff and advisory businesses of Morrison & Co New Zealand. Macquarie Bank will also offer positions to the staff of Morrison & Co Australia, the Manager of Infratil. The acquisition will give MIG access to Morrison's airport and seaport management resources.

"The combined management expertise of Macquarie Bank and Morrison will ensure that MIG shareholders gain full value from the acquisition of the Infratil assets," Mr. Kahn concluded.

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Annexure

MIG's offer is conditional upon the following:

1. that during, or at the end of, the offer period MIG and its associates have relevant interests in at least 90% (by number) of the securities in the bid class;
2. Morrison & Co Australia agrees to the cancellation of the 9,926,921 management options on issue for a total consideration of \$1 and none of such options being exercised before such cancellation;
3. none of the events specified in section 652C(1) or section 652C(2) of the Corporations Law occurs in relation to Infratil during the bid period.
4. Infratil does not acquire or agree to acquire a substantial business or property, or undertaking or is not subjected to a substantial new liability;
5. Infratil does not declare any dividend not being a dividend announced prior to the date of the offer; and
6. Infratil does not agree to any material change in the management agreement dated 1 March 1996 (as amended to date) between Morrison & Co Australia and Infratil.