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ASX RELEASE



Macquarie Infrastructure Group

EGM Chairman and Lead Independent Directors Address

1. Mark Johnson – Chairman, MIIML

Good morning. It is now 11.00am, the nominated time for this meeting.

I am Mark Johnson, Chairman of Macquarie Infrastructure Investment Management Limited, or MIIML, which is the manager and responsible entity of Macquarie Infrastructure Trust (I) and Macquarie Infrastructure Trust (II), the two Australian trusts in Macquarie Infrastructure Group, also known as MIG.

I am also a director of Macquarie Infrastructure Group International Limited, or MIGIL, which is the third MIG stapled entity. The relationship between the three MIG entities is set out on the screen.

As a director on both the MIIML and the MIGIL Boards, I have been appointed to chair the meetings of MIT(I), MIT(II) and MIGIL.

I have been informed by Computershare, MIG's security registry, that a quorum is present, so I formally declare the General meetings of MIT(I), MIT(II) and MIGIL open.

I would like to welcome all investors, visitors and members of the media and also welcome those of you watching proceedings on the MIG website.

I am joined here today by two of my fellow MIIML directors who are, in order from the right of the table: The Lead Independent Director, of MIIML: Paul McClintock, and David Walsh also an independent director. The remaining MIIML independent Director, David Mortimer sends his apologies.

We are also pleased to be joined today by Mr Rob Mulderig, who is currently the Chairman and Lead Independent Director of MIGIL. We are grateful for Rob's efforts in travelling to Australia for today's meeting. Rob will be invited to address the meeting later to provide his insights into the role of the Independent Board Committees involvement in the strategic review and ultimate negotiations with Macquarie.

The remainder of the overseas based MIGIL directors are unfortunately unable to join us today, and have sent their apologies.

Also at the table are our current Chief Executive Officer, John Hughes, and our current Chief Financial Officer, Mary Nicholson.

Also present in the audience today are:

- Will Mrongovius of Computershare, the registry for MIG;
- Wayne Andrews, of PricewaterhouseCoopers, the auditor for MIG, who will act as scrutineer for the vote, and
- Tim Blue of MIG's Australian lawyers, Mallesons

We will all be happy to speak with you during the refreshments at the end of the meeting.

None of the entities noted in this document is an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities.

As specified in the notices of meeting, today there will be a general meeting of MIT(I) and MIT(II), and an Extraordinary general meeting of MIGIL. The MIGIL EGM will be conducted contemporaneously with the general meetings of MIT(I) and MIT(II). The purpose of today's meeting is to vote on the Proposed Restructure Proposal. The details of this proposal were set out in detail in the explanatory Memorandum and Prospectus that was sent to shareholders in late December.

Before we get to the formal business of the meeting, I would like to provide you with a high level overview of what is being proposed. In addition, both Rob Mulderig and Paul McClintock would like to share with you their views as the Lead Independent Directors of both MIGIL and MIIML respectively. I appreciate that for many of you much of what we discuss will simply reiterate our comments at the MIG AGM in late October, however we do want to remind the meeting again of the background to, and potential benefits of, this very important landmark in MIG's evolution.

The continuation of a significant gap between the security price of MIG and the Net Asset Backing of MIG lead the board, in the first half of Calendar 2009, to undertake a significant and all encompassing strategic review of the MIG portfolio.

As we highlighted at the AGM in October, this review led the board to conclude:

- First and foremost, that MIG has a portfolio of quality assets from an operational perspective. This quality was highlighted as recently as yesterday where MIG's portfolio recorded a weighted average increase in traffic of 1.5%.
- We do have to acknowledge however that the radical tightening in debt markets has resulted in a changed outlook for some of these roads, given the current capital structures. This means that;
- while maintaining MIG in its current form is clearly possible, it would be unlikely to result in any significant security price improvement pending the completion of the refinancing requirements over the next 5 to 6 years;
- while we achieved good results on sales of the Westlink M7 and Lusoponte, given market conditions, we determined further asset sales were unlikely to achieve acceptable outcomes; and
- We looked at raising capital for early deleveraging but that it is simply not necessary. All the roads are within covenants and no early debt reduction is necessary or appropriate. In particular, any equity raising at current security prices would be highly dilutive to security-holders.

The board therefore concluded that splitting the current portfolio into two, separate, ASX-listed vehicles was the best opportunity to create value for security holders. The board also concluded that the management arrangements with Macquarie were to be assessed.

Before I step through the detail of the agreement that has been reached with Macquarie, I would like to provide you with an insight into the way in which we as a board approached the matters of both the portfolio split, and the restructure of management arrangements.

In pursuing this course of action the boards of MIG took the position that for matters relating to the strategic options for MIG. It was important that the full board consider all relevant issues and make a unified judgment on the right way forward.

When the decision was taken by the board to address the management arrangements, it was imperative from the board's perspective that any hint of related party influence be avoided. To that end, the boards formed independent board committees, and given both Peter Dyer and my associations with Macquarie, we did not participate in those committees.

The independent board committee was charged by the board with the responsibility to both assess the viability of, and if appropriate, negotiate any potential change to the management arrangements. To that end, Paul McClintock, the lead independent director of MIIML will address the meeting shortly and provide you with his perspectives on the considerations of the IBC's.

Both Rob and Paul will provide an insight into the processes and deliberations of the IBC's later, so let me provide with a high level overview of the Restructure Proposal. All of you will have received some very substantial documents in late December relating to the Proposal. I appreciate that to many of you the weight of paper would have seemed like overkill, however in order to ensure that MIG was in compliance with all of its legal obligations it was necessary.

Let me give you a summary of the salient points contained in the explanatory memorandum.

- Firstly, the restructure will see the MIG portfolio reorganised into two separately listed ASX groups. 'Intoll' and 'Macquarie Atlas Roads'. This separation has been determined on the basis of risk profile and management requirements
- Following the restructure, current MIG security holders will receive 1 Intoll and 0.2 Macquarie Atlas Roads securities for each MIG security they hold
- Intoll and Macquarie Atlas Roads will trade separately on the ASX under the codes 'ITO' and 'MQA' respectively
- Intoll will become a standalone entity which employs its own management team
- Macquarie Atlas Roads will be managed by Macquarie under new management agreements with a new fee structure
- MIG has agreed to pay Macquarie:
 - \$50million for their support and services in relation to the transition of Intoll
 - A 1.0% advisory fee for the advice in relation to the restructure Proposal, the explanatory memorandum estimated this payment at \$28.3million
 - There will also be a payment to Macquarie of approximately \$25.6million, as Intoll is buying the responsible entity, MIIML, from Macquarie. MIMML has net cash assets of the same amount, \$25.6million, so this transaction is net neutral.
- After providing adequate working capital for both entities there will be surplus cash of \$226 million (approx 10 cents per stapled security). Consequently, in addition to the 2 cent ordinary distribution MIG declared in respect of the period to 31 December 2009, if the restructure proposal is approved today MIG will also pay a special distribution of 10 cents per security. The record date for the special distribution is 01 February, and it is likely to be paid on 12 February.

The next two slides provide a very high level overview of the two new MIG funds that will exist post the restructure

Intoll will contain MIG's interests in both the 407 ETR in Toronto and the Westlink M7 here in Sydney. These assets are high quality assets, have stable capital structures, and more mature cash flows. Based on the director's December 2009 valuations, which were announced to the market this morning, these assets have a combined value of A\$3.8bn.

Intoll will remain essentially the same structure that is the MIG of today, i.e. a tripled stapled security, although quite obviously the name of the group and many of the entities within it, will be changed.

The management of this fund will become standalone. Murray Bleach has been offered to role of temporary CEO of Intoll and, when the restructure has been completed, we will commence the search for a permanent CEO. On behalf of both Boards I would like to thank John Hughes for his significant contribution as CEO of MIG for the past 2 years and for leading the team during the development and implementation of this restructure proposal. John will be returning to Macquarie Group.

Importantly, should the opportunity present itself, this fund will be potentially able to consider new opportunities that are deemed to be accretive to the portfolio.

The distribution profile of both funds will be an important investment consideration and in Intoll the distribution policy will reflect MIG's current policy of paying out distributions inline with operating cash flow.

Intoll will offer to investors a strong, stable and attractive investment proposition, characterized by:

- Long Term assets with an 83 year weighted average concession
- An established track record of strong asset performance
- Solid and growing cash flows from asset distributions
- Long term debt maturity profile with a prudent gearing and hedging profile
- Agreed an attractive toll escalation mechanisms
- Strong governance framework with standalone management team and less volatile cost structure.

Macquarie Atlas Roads then will comprise all of the remaining assets from within the current MIG. Putting to one side the 3 small assets in this portfolio, as I have mentioned before, operationally these assets are first class and have delivered solid operational performance. They will however, in the main, require a substantial amount of operational and financial management in the future in order to maximize value to security holders.

In the boards' view, Macquarie is one of the pre-eminent global organizations in regard to the management of infrastructure assets. Consequently, it was a logical position for the board that Macquarie be enlisted to help generate value for security holders.

The assets in this portfolio will have a combined value, based on the directors valuations published today, of over A\$1.28bn and it will be a very substantial fund in that respect.

I would reiterate again, it is the boards' view that the manager and security holders will be absolutely aligned in their interest to see this fund succeed.

In consultation with the manager, the boards have offered Peter Trent the position of CEO of Macquarie Atlas Roads.

MQA will offer to investors a higher risk return opportunity over the medium term, with a portfolio of assets that have:

- Relatively Long Term assets (with a 46 year weighted average concession life)
- Assets that have demonstrated an ability to grow revenue, even under recessionary conditions
- No immediate debt maturities, and
- Favourable toll escalation mechanisms

At the AGM in late October, I discussed the fact that this Restructure will provide the opportunity for potential changes in board composition. This slide sets out for you the current and proposed future board compositions of the entities within MIG, Intoll and Macquarie Atlas Roads. As you can see, the current members of the MIG board, myself excluded, will ultimately be split between the boards of the 4 relevant entities. This will ensure that there is a continuity of knowledge and corporate history at Board level.

In accordance with a serious and proper approach to governance, there will obviously also be a significant rejuvenation of the boards. The relevant Boards will begin to recruit this new talent as soon as possible following this meeting. In the mean time though there will be some duplication of board members across the two businesses. Whilst this is not an ideal situation, we believe that it is prudent given the proposal being contemplated.

I would now like to turn to the benefits of the Restructure Proposal

Again, the Explanatory memorandum sets out in detail the major benefits that we as a board believe that this proposal delivers for MIG security holders. The explanatory memorandum also sets out the potential disadvantages, allowing security holders to make a fully informed decision in relation to how to vote.

I would like to highlight though the major reasons why we as a board believe that the Restructure Proposal is in the best interests of Security holders. Overall, we do see that this restructure proposal has the potential to improve the combined market rating of Intoll and MQA securities in comparison to the market rating of MIG. The factors that we see contributing to this include:

- The two companies will have more easily identifiable risk return profiles
- There will be the potential for new strategic investors in either company
- Aggregate cost of management for Intoll and MQA will be reduced compared to the current cost of MIG management
- Intoll may be regarded as more likely to be the subject of a control transaction

In addition to these benefits, the facilitation and support of Macquarie will ensure access to intellectual property and management in both Intoll and MQA

The reason for today's meeting is because this Restructure Proposal requires the agreement of MIG Security holders. Security holders are required to approve all of the payments made to Macquarie under the Restructure Proposal for the purposes of Chapter 2E of the Corporations Act. The resolution in relation to this aspect of the proposal is a simple majority resolution.

I would note that, Macquarie and its associates cannot vote on these resolutions

Although not a condition of the Restructure Proposal, MIG security holders will today also vote on a number of ancillary resolutions that form part of the Restructure Proposal

The Restructure Proposal is also conditional on the Implementation Deed not having been terminated, and MIG is not aware of any such action. And finally, there are some ASIC Relief and ASX waivers to be granted. While certain of the relief waivers and confirmations have been agreed in principle, they will not be granted until after the General Meetings. MIG will advise security holders in due course of the receipt of these waivers.

Before I hand over to Rob, let me conclude by providing a high level overview of the timetable of this restructure.

When the high level agreement with Macquarie was reached in October, we indicated a fairly ambitious timetable that would see a meeting of security holders in late January/February 2010. The fact that we are here today is a testament to the dedication and hard work of all of the MIG team. I would like to commend John Hughes and his team for their role in delivering on that original timetable.

Should today's vote approve the restructure proposal, then there are some key dates that investors should ensure they are familiar with. Most notable is that the record date for the proposal and the special distribution is 01 February. I would like to specifically point out the fact that following the announcement of today's result, the trading halt that MIG has applied for will be lifted, and as such there will be a small window of trading this afternoon in which MIG will trade 'cum' the entitlement to the MQA in-specie distribution and the 10 cent special distribution.

Trading in both MIG, and the newly formed MQA, will begin on Monday, January 25 'ex' both the proposal and the special distribution. Whilst the trading will begin on a deferred settlement basis for Macquarie Atlas Roads, MIG will continue to trade on a normal settlement basis.

The Restructure Proposal will officially be implemented on 02 February, at which time MIG will be renamed Intoll and will begin trading under its new ASX code of ITO. MQA securities will begin trading on a normal settlement basis on 09 February.

Importantly, the special distribution of 10 cents will be paid on 12 February, alongside the interim distribution of 2 cents which was declared in December.

As I am unlikely to be in attendance in an official capacity at either of the new entities' first Annual General Meeting, I would like to take this opportunity to thank the security holders of MIG for their support and advice in my time on the Boards of MIG. In particular I would like to thank security holders for their patience as we have worked through an extremely difficult set of circumstances during the last 18 months. I do believe that today's vote, if successful, will prove to be the beginning of a new, more fruitful era for MIG and its security holders.

I would also like to thank my fellow board members for their wise counsel in my time on the MIG boards, and again in particular during the last 18 months

In conclusion I would like to reiterate that, as a board, we believe that this Restructure Proposal creates the potential for an improved rating of the combined price of Intoll and Macquarie Atlas Roads in comparison to MIG.

I would now like to hand over to Rob Mulderig who will provide his views as the Lead Independent Director of the Bermudian company MIGIL.

2. Robert Mulderig, Chairman and Lead Independent Director, MIGIL

Thank you Mark.

I am speaking today as part of the Independent Board Committees of both the Australian and Bermudan management companies, which together cover 5 of the 7 directors who serve on the boards of the two companies.

This transaction is complex and unique, as it combines the issues around restructuring the portfolio into two entities, and the separate but associated issue of who should manage both of them. My purpose is to explain how we came to the decisions that are included in the independent board committees recommendations outlined in the explanatory memorandum.

As an IBC our first task was to consider whether the market would give greater value to the portfolio if it was divided, and was the current structure an impediment to achieving full value for security holders. We came to the view that structure was a problem, and that investors would appreciate the opportunity to invest in the key mature assets separately from the others. We then considered which assets should be separated, and decided two were obviously in that category – the 407 and the M7 – and two were on the edge – APRR and Dulles Greenway. In the end it was decided that 407 and M7 provided a clear investment opportunity and should be the assets that made up the new fund.

Our second question was how should these two entities be managed? MIG has a long history in spinning off or selling assets that have reached a stage where Macquarie was no longer the appropriate manager, and the IBCs and the boards agreed that this was the case for the 407 and M7, and the management should be transitioned to a standalone management team.

The case for standalone management for Macquarie Atlas Roads was considered at length, but we did not think that these assets had reached the point where Macquarie management would not continue to add very significant value. We decided, therefore, that Macquarie should continue to manage these assets.

At the conclusion of the process that I have just outlined, we as a collective IBC began the negotiation with Macquarie to facilitate our desired changes. The IBC determined that it would be appropriate to compensate Macquarie for their assistance in respect of this co-operation, and the outcome of those negotiations is part the proposal before the meeting today.

The IBC and indeed the board is extremely pleased that Macquarie has agreed to facilitate a range of outcomes in connection with the Restructure Proposal

Macquarie will be paid an amount estimated to be \$103.9 million as compensation in connection the implementation of the Restructure Proposal, comprising:

- \$50 million for, among other things, its role in facilitating the implementation of the restructure Proposal and assisting in the establishment of Intoll as a standalone business through the provision of a transitional services agreement, reimbursement of first year incremental operating costs and provision of IP licenses;
- An advisory fee of 1.0% of the post Restructure Proposal market capitalization of Intoll for financial advisory services in connection with the restructure proposal;
- A payment of approximately \$25.6 million for the shares in MIIML, the current Responsible Entity of MIG which holds net cash of the equivalent amount, so this payment is net neutral for MIG.

We also considered what fees should be paid by the new Macquarie managed entity to ensure appropriate incentives were present to encourage them to commit to the significant task of rebuilding value in that portfolio.

Before I hand the meeting over to Paul McClintock, I would like to add my thanks to Mark as the Chairman of MIIML and a board member of MIGIL. I know that Paul made the comments at the AGM in October around the clarity, vision, and leadership that Mark has provided throughout this process and I would like to echo those sentiments on behalf of the Bermudian board.

3. Paul McClintock, Lead Independent Director, MIIML

Thank you Rob.

In addition to the independent advice that we as an IBC received from our own advisers, as part of this process we sought the opinion of an independent expert (Ernst & Young) for the benefit of security holders.

I am pleased to report that the conclusion reached by the Independent Expert is that the Restructure Proposal is in the best interests of MIG security holders.

This conclusion has regard to all of the advantages and disadvantages associated with the Restructure Proposal.

Ernst and Young note that the main purpose of the Restructure Proposal is to encourage a net re-rating of Intoll and MQA relative to MIG and that many of the advantages would be expected to contribute to such a re-rating, although there is no certainty that this will occur.

In summary, Each MIG independent director recommends that MIG security holders vote in favour of the resolutions, subject to:

- There being no superior competing proposal, which to this time we can confirm we are not aware of, and
- The Independent Expert not changing or withdrawing its conclusion, again the independent directors are not aware of the Independent Expert changing its opinion.

As Macquarie will receive a financial benefit in relation to the Restructure Proposal, both Mark Johnson and Peter Dyer (given their relationship with Macquarie) have not made any recommendations in respect of the required resolutions.

For good order, I would just like to point out that the independence status of the members of the IBC's is set out in the Explanatory Memorandum

That now concludes our discussion of the restructure proposal, and so it is time to move on to the formal proceedings of the meeting, during which time security holders will have an opportunity to ask questions.