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ASX RELEASE



Macquarie Infrastructure Group

**EIFFAGE-LED CONSORTIUM ANNOUNCED AS PREFERRED BIDDER FOR
APRR MOTORWAY NETWORK - FRANCE**

Today the Government of France advised that the consortium comprised of Eiffage SA (Eiffage), Macquarie Infrastructure Group (MIG) and Macquarie European Infrastructure Fund (MEIF) (together "the Consortium") had been selected as preferred bidder to acquire its 70.2% interest in Autoroutes Paris-Rhin-Rhône (APRR), subject to customary regulatory approvals, including European Commission consent.

Under French law a company that acquires more than 33.33% of voting rights in a French listed company must make a takeover offer for the balance of the shares at the same price as the price offered to the majority shareholders, in this case the Consortium will make an offer for the remaining 29.8% shares in APRR.

The price offered by the Consortium is €61 per share. The Consortium funding requirement for 100% of the shares is €7.1 billion/\$A11.3 billion¹. This funding would comprise €5.75 billion/\$A9.16 billion of senior debt and €1.35 billion/\$A2.15 billion of equity. The final debt and equity figures are dependent on the take up of the mandatory offer to minority shareholders. The offer implies an enterprise value of €12.1 billion/\$A19.3 billion for APRR, including acquisition costs.

At 100%, MIG's equity investment will be €376 million/\$A600 million. It is anticipated that this will be funded by MIG's existing resources which will be replenished with capital raised via the December 2005 and June 2006 Distribution and Dividend Re-investment Plans (DRP). The December 2005 DRP will be offered at a 2.5% discount and is intended to be underwritten (by way of a placement).

There is no change to MIG's distribution guidance for FY2006 and FY2007.

¹ This and all other all other currency conversions is based upon an exchange rate of A\$1.00 = €0.6275

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Mr Stephen Allen, Chief Executive Officer of MIG said, "We are delighted the Consortium has been selected as preferred bidder for APRR. APRR is the second largest motorway company in France and holds concessions over 28% of French motorways by distance. This equates to 2205km of road which has been maintained to a very high standard.

"APRR is a strong and stable roads business that is producing significant operating cash flow. We anticipate APRR will deliver solid returns to MIG investors throughout the life of the 27 year concession.

"The price offered for APRR is fair and reasonable and reflects the high quality nature of the business and its stable revenue stream. The price has been delivered through a considerable equity investment by the Consortium and an efficient financial structure at the Consortium level.

"We believe Eiffage is an excellent partner for MIG, bringing extensive local industrial experience and expertise to what we anticipate will be a long and successful relationship.

"We look forward to working with APRR to continue their programme of seeking to achieve operating and financial enhancements over time and the ongoing improvement of service for customers," Mr Allen said.

APRR Overview

- Listed on Eurolist of Euronext Paris SA
- Two concessions: APRR and AREA - each with 27 years remaining
- High quality business with stable and relatively predictable revenue
- Third largest tolled motorway network in Europe
- 2205km roads, only 55km required to be constructed
- Average daily traffic of 25,471 vehicles
- Key transport route between Paris - Lyon, France's two largest cities
- Predominantly inter-urban roads with minimal bypass risk

APRR Tolling Mechanism

- Toll escalation set by 2004 Contrats d'Entreprise² until 2008
 - APRR: 85% of CPI (ex tobacco) plus 0.85%
 - AREA: 80% of CPI (ex tobacco) plus 0.11%
- Minimum guaranteed escalation of 70% of CPI (ex tobacco) post 2008 (car toll)
- Higher toll thresholds may be set through negotiations with Government every five years for additional Contrats d'Entreprise

Agreements between Consortium members

- Eiffage led consortium 50% (plus one share) with MAF (Macquarie Autoroutes de France), the MIG/MEIF investment vehicle 50% (less one share)
- MEIF will invest the lesser of €300m or 25% less one share
- Agreements ensure MAF has significant influence over the development and operations of the APRR business, including board representation, subject to MAF being advised by a Macquarie Group company
- MIG put and call options in favour of MEIF at fair market value if MAF no longer managed by Macquarie Group company

² Contrats d'Entreprise are contracts negotiated every five years exchanging additional toll increases for additional capital expenditure and service enhancements

Funding

Further details of the funding arrangements will be disclosed at completion:

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- The Consortium funding requirement for 100% of the shares is €7.1 billion/\$A11.3 billion
- This funding would be comprised €5.75billion/\$A9.16 billion of senior debt and €1.35 billion/\$A2.15 billion of equity
- The offer implies an enterprise value of €12.1 billion/A\$19.3 billion for APRR

Timetable

Following customary approvals MIG anticipates that financial close on the 70.2% Government owned stake will occur during the first quarter of 2006, after which a mandatory offer document will be issued to minority shareholders.

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