

Macquarie Infrastructure Investment Management Limited

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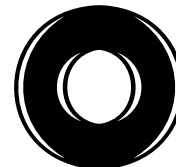
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ASX RELEASE



MACQUARIE

Macquarie Infrastructure Group

**MIG 2008 Annual General Meeting
Chairman's Opening Address**

Given current market conditions, we have anticipated that as well as the performance of the business, security holders will be particularly interested in MIG's debt profile, cash position and distribution policy.

Accordingly, today we will focus our discussion on these issues. I will make some preliminary remarks on each and MIG CEO John Hughes will deal with them in more detail in his presentation, as well as providing the usual overview of the operational and financial performance of the business.

Before I turn to those matters however, I propose to deal briefly with this morning's announcement by MIG of some important changes made by Macquarie to MIG's corporate governance.

These changes were made in response to feedback received from the market. Two other Macquarie-managed infrastructure funds have announced similar initiatives. The main points are as follows:

- 1) Effective from the 2009 AGM, MIG security holders will nominate and vote on the appointment of all MIG directors on a rotational basis;
- 2) No MIG director will be a Macquarie employee;
- 3) Any person will be eligible to stand for MIG boards if they are nominated by holders of at least 5% of total voting rights or by not less than 100 holders of stapled securities. More information on this process will be put on MIG's website in December;
- 4) Macquarie intends to abstain from voting its securities in respect of the appointment of fund directors or on financing issues that require security holder approval such as security issuances or buy-backs;

This morning's release contains more detail and further information will be available in December.

There have also been some changes to the disclosure of management arrangements.

The management arrangements for the trusts in MIG have been available for some time, within the Constitution documents which are lodged on the website. However this morning MIG has also made the advisory agreement for MIGIL available on its website, in response to recent recommendations made by the Australian Securities Exchange.

Macquarie Infrastructure Investment Management Limited (MIIML) is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia) and its obligations 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 MIIML.

As a consequence of the corporate governance decisions set out in this morning's announcement, Michael Carapiet, Head of Macquarie Capital, and John Roberts, Joint Head of Macquarie Capital Advisers, will be stepping down as director and alternate director of MIIML respectively. This will occur before the end of the calendar year, to facilitate the new board structure. I would like to thank Michael and John for their contributions to MIG.

I think it is important to take some time to provide security holders with some context for these changes.

The companies which manage MIG are wholly owned subsidiaries of Macquarie Group. Macquarie has always thought it appropriate for there to be a majority of Independent Directors on the boards to represent the interests of security holders.

Accordingly, since the inception of MIG, Macquarie has selected and appointed non-executive and independent directors of integrity and quality to its boards.

Our directors have relevant qualifications and deep corporate experience that is extremely valuable to MIG security holders. I firmly believe this is clearly demonstrated in MIG's performance since listing in 1996.

These factors notwithstanding, Macquarie has taken seriously feedback it has received from the market, to the effect that security holders would prefer to make these judgments by having the ability to directly vote on the election of the independent directors.

The governance changes announced this morning to enable this, have been made after careful consideration and ongoing dialogue with investors. I think it is important to note that they do no affect Macquarie's existing obligations to act at all times in the best interests of security holders. Nor do they affect Macquarie's commitment to MIG.

We believe the changes will underline the existing high quality of MIG's corporate governance framework and remove what has been an ongoing distraction from the solid track record of performance from the underlying businesses and of equally solid returns to security holders. I and certain other directors will stand for re-election at the AGM in 2009 and we look forward to that process.

Preliminary comments

The prevailing market and economic conditions have created considerable uncertainty for MIG's security holders. Consequently MIG's board and management have often been asked in the past 12 months about how the business is placed to deal with various negative scenarios, and to provide detailed reassurance about the resilience of our debt and cashflow positions.

It is imprudent to speculate on hypotheticals and I do not propose to do differently today.

However, MIG's board and management have gathered significant experience in navigating market cycles over the 12 years since the listing of MIG in 1996.

We know our assets very well and have accumulated a certain level of skill in managing debt and cashflows for tollroad businesses.

Based on that knowledge and because it is clear that these are challenging times for our security holders – as they are for MIG – we thought it appropriate to go into more depth on why we are comfortable with MIG's operational and financial position.

Consequently, MIG CEO John Hughes will discuss some logical scenarios for MIG's cash position and debt profile, based on MIG's current portfolio performance, balance-sheet strength and capital management initiatives.

Security holders should be clear that the intention is not to provide guidance. The only guidance we have given is for 20 cents per security for FY2009 and that remains the case.

What we are attempting to do is to make some logical extrapolations of our current position, to once more provide reassurance to our security holders that the financial position and distribution policy of the business is sound.

We also wish to demonstrate that the strength and flexibility of MIG's balance sheet and the prudence employed in our capital management initiatives, means that a number of options are open to us, whatever course the market follows.

Before I turn over to MIG CEO John Hughes, I should acknowledge that this is his first AGM leading the business. John was appointed during the year to replace Stephen Allen.

John has been with Macquarie since 1997 and has over 17 years of experience in the infrastructure and resources sectors including senior roles working with various Macquarie teams across a range of projects – including the successful bid for Westlink M7.

MIG's board welcomes John and would like to thank Stephen Allen for his contribution to MIG since becoming its CEO in April 2003.

I would like to conclude by saying that MIG has a high-quality portfolio and a strong and flexible balance sheet. MIG's boards and management are confident that MIG will continue to perform solidly over the next 12 months with continued EBITDA growth forecast for FY2009.

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