

APPENDIX 4E

Preliminary Final Report

Name of entity: **Macquarie Infrastructure Group (MIG)**

1. Details of the reporting period

Current Period: 1 July 2007 - 30 June 2008

Previous Corresponding Period: 1 July 2006 - 30 June 2007

2. Results for announcement to the market

				\$A'000
2.1 Revenue from continuing activities	Down	35%	to	203,692
Revaluation and other income from continuing activities	Down	51%	to	1,197,149
Total revenue and revaluation and other income from continuing activities	Down	49%	to	1,400,841
2.2 Profit from continuing activities after tax and before finance costs attributable to security holders	Down	59%	to	914,191
2.3 Profit for the period attributable to security holders	Down	55%	to	767,269
<p>UIG 1013: <i>Consolidated Financial Reports in relation to Pre-Date-of-Transition Stapling Arrangements</i> requires one of the stapled entities of an existing stapled structure to be identified as the parent entity for the purpose of preparing consolidated financial reports. In accordance with this requirement Macquarie Infrastructure Trust (II) (MIT (II)) has been identified as the parent.</p>				

2.4 Dividends (distributions)	Amount per security	Franked amount per security
<i>Current Period:</i>		
Final dividend /distribution	10.0 ¢	Nil
Interim dividend / distribution	10.0 ¢	Nil
<i>Previous Corresponding Period:</i>		
Final dividend /distribution	10.0 ¢	Nil
Interim dividend / distribution	10.0 ¢	Nil
2.5 Record date for determining entitlements to the dividend / distribution	31 Dec 2007, 30 June 2008	
2.6 Provide a brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
<p>Profit attributable to security holders has decreased, reflecting lower revaluation income on MIG's non-controlled toll road assets and the prior period impact of the demerger of MIG's mature Australian toll road assets, through the in-specie distribution of Sydney Roads Group (SRG), and the sale of 50% of MIG's interests in its four US assets.</p>		

3. Income Statement with notes

Refer to attached financial statements.

4. Balance Sheet with notes

Refer to attached financial statements.

5. Statement of Cash Flows with notes

Refer to attached financial statements.

6. Details of dividends/distributions

Refer to attached financial statements (Directors' Report and Note 5: Distributions Paid and Proposed).

7. Details of dividend/distribution reinvestment plan

MIG's distribution and dividend reinvestment plan (DRP) was in operation for all distributions during the year.

During the financial year, a portion of stapled security holders participated in MIG's DRP. The total interim distribution paid on 14 February 2008 was \$241.5 million, of which \$69.6 million was reinvested in MIG through the DRP. The total final distribution paid on 14 August 2008 was \$240.4 million of which \$79.2 million was reinvested in MIG through DRP. The reinvested securities were all sourced from on-market purchases of existing securities.

8. Statement of retained earnings showing movements

Refer to attached financial statements (Note 21: Retained Profits).

9. Net tangible assets per security

	Current period (As at 30 June 2008)	Previous corresponding Period (As at 30 June 2007)
Net asset backing per stapled security before deferred tax balances per Management Information Report	\$3.84	\$3.89
Net tangible asset backing per stapled security	\$2.43	\$2.50

* Under the listing rules NTA Backing must be determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary securities (ie, all liabilities, preference shares, outside equity interests etc). The NTA reflects the exclusion of tolling concessions.

10. Control gained or lost over entities during the period

10.1 Name of entity (or group of entities) over which control was gained	Not applicable
10.2 Date control was gained	Not applicable
10.3 Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	Not applicable

10.1 Name of entity (or group of entities) over which control was lost	Not applicable
10.2 Date control was lost	Not applicable

10.3 Consolidated profit (loss) from continuing activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	Not applicable
10.4 Profit (loss) from continuing activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the previous corresponding period	Not applicable

11. Details of associates and joint venture entities

Refer attached financial statements (Note 14: Investments in Associates).

12. Other significant information

Refer attached financial statements (Directors' Report).

13. Accounting standards used by foreign entities

International Financial Reporting Standards.

14. Commentary on results

	Current period	Previous corresponding Period
14.1 Earnings per stapled security	31.46 ¢	66.57 ¢
	\$A'000	\$A'000
14.2 Returns to shareholders: Distributions	\$481,912	\$1,462,180
NB, previous corresponding period distributions include \$948,906 in relation to the in specie distribution of SRG.		
Refer also attached financial statements (Directors' Report and Note 5: Distributions Paid and Proposed)		

14.3 Commentary on significant features of operating performance

	Consolidated	
	MIG	MIG
	30-Jun-08	30-Jun-07
	\$'000	\$'000
Revenue and other income from continuing activities		
Revenue from continuing activities	203,692	314,665
Revaluation and other income from continuing activities	1,197,149	2,425,700
Total revenue and other income from continuing activities	1,400,841	2,740,365
Operating expenses from continuing activities		
Finance costs	(150,984)	(254,172)
Other operating expenses	(253,380)	(375,720)
Total operating expenses from continuing activities	(404,364)	(629,892)
Profit from continuing activities before income tax (expense) / benefit		
	996,477	2,110,473
Income tax (expense) / benefit	(82,286)	133,908
Profit from continuing activities after income tax (expense) / benefit	914,191	2,244,381
Finance costs attributable to AMT unit holders	-	(1,974)
Profit from continuing activities after income tax (expense) / benefit and after finance costs attributable to AMT unit holders	914,191	2,242,407
Profit attributable to:		
MIG security holders	767,269	1,702,253
Minority interests	146,922	540,154
	914,191	2,242,407

Overview of Operating Performance

Profit attributable to MIG security holders for the year ended 30 June 2008 was A\$767.3 million (2007: A\$1,702.3 million). The decrease reflects lower revaluation income on MIG's non-controlled toll road assets and the prior year impact of the demerger of MIG's mature Australian toll road assets, through the in-specie distribution of Sydney Roads Group (SRG), and the sale of 50% of MIG's interests in its four US assets.

— **Revenue from continuing activities of A\$203.7 million (2007: A\$314.7 million)**

The primary contributors to the decrease compared to 2007 are the reduction in consolidated toll revenue to A\$127.8 million (2007: A\$184.9 million) following the demerger and divestment of four consolidated toll road assets during the prior period and the reduction in interest income to A\$70.4 million (2007: A\$118.6 million) following the completion of the A\$1.00 billion on market security buy-back.

The demerger and divestment transactions also reduce consolidated operational expenses recognised for the period.

— **Other income from continuing activities of A\$1,197.1 million (2007: A\$2,425.7 million)**

Revaluation income of A\$1,184.1 million (2007: A\$1,773.5 million) relates to MIG's non-controlled assets only. It includes distributions received from the assets but excludes the majority of foreign exchange impacts which are reflected directly in reserves. These factors account for the majority of the difference between revaluation income for the year and the much smaller increase in overall portfolio valuation. The prior period included A\$1.08 billion of revaluation gains associated with APRR. In the case of APRR approximately 50% of the gains are attributable to the minority interests in this investment.

In addition, the prior period included a net gain on the sale of investments and deconsolidation/demerger of subsidiaries of A\$644.8 million, following the demerger of SRG and sale of 50% of MIG's interests in its four US assets.

— **Finance costs excluding costs attributable to security holders of A\$151.0 million (2007: A\$254.2 million)**

The reduction in finance costs reflects the impact of the prior year demerger of MIG's mature Australian toll road assets and the sale of 50% of MIG's interests in its four US assets.

— **Income tax expense of A\$82.3 million (2007: Income tax benefit of A\$133.9 million)**

The recognition of deferred tax liabilities on revaluation of MIT(II)'s toll road assets has resulted in the recognition of an income tax expense of A\$82.3 million.

15. Audit / review of accounts upon which this report is based

This report is based on accounts to which one of the following applies (*tick one*):

<input checked="" type="checkbox"/>	The accounts have been audited. (refer attached financial statements)	<input type="checkbox"/>	The accounts have been subject to review. (refer attached financial statements)
<input type="checkbox"/>	The accounts are in the process of being audited or subject to review.	<input type="checkbox"/>	The accounts have <i>not</i> yet been audited or reviewed.

16. Accounts not yet audited or reviewed

Not applicable.

17. Qualification of audit / review

Not applicable.