

# APPENDIX 4E

## Preliminary Final Report

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

### 1. Details of the reporting period

Current Period: 1 July 2006 - 30 June 2007

Previous Corresponding Period: 1 July 2005 - 30 June 2006

### 2. Results for announcement to the market

|   |      |      |    | \$A'000   |
|---|------|------|----|-----------|
| 2.1   |      |      |    |           |
| Revenue from continuing activities  | Down | 38%  | to | 314,665   |
| Other income from continuing activities   | Up   | 340% | to | 2,425,700 |
| Total revenue and other income from continuing activities   | Up   | 158% | to | 2,740,365 |
| 2.2   |      |      |    |           |
| Profit from continuing activities after tax and before finance costs attributable to security holders*            | Up   | 377% | to | 2,244,381 |
| 2.3   |      |      |    |           |
| Net profit for the period attributable to security holders before finance costs attributable to security holders* | Up   | 301% | to | 1,702,253 |
| Net profit for the period attributable to security holders after finance costs attributable to security holders*  | Up   | 436% | to | 1,702,253 |

\* Due to the timing of certain amendments to the MIT (I) Trust Constitution, the income of \$107.4 million which accrued to the units in MIT (I) for the comparative period ended 30 June 2006 was accounted for as an expense and presented in the Income Statement as a finance cost.

UIG 1013: *Consolidated Financial Reports in relation to Pre-Date-of-Transition Stapling Arrangements* 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.

| 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   | 11.0 ¢                    | Nil                         |
| Interim dividend / distribution  | 10.0 ¢                    | 1.89 ¢                      |
| 2.5 Record date for determining entitlements to the dividend / distribution  | 29 Dec 2006, 29 June 2007 |                             |
| 2.6 Provide a brief explanation of any of the figures reported above necessary to enable the figures to be understood:   |                           |                             |
| <p>The following transactions should be noted when considering the reported figures above:</p> <p>On 1 August 2006, MIG demerged its interests in its three mature Australian toll road assets through the in specie distribution of Sydney Roads Group (SRG) to MIG security holders.</p> <p>On 24 August 2006, MIG announced it had entered into an agreement to sell 50% of its interests in its four US assets, being the Dulles Greenway, Indiana Toll Road, Skyway and South Bay Expressway to MIP, subject to conditions precedent. This included security holder approval, which was obtained at the MIG AGM held on 27 November 2006. MIG and MIP reached financial close on the transaction on 15 December 2006.</p> |                           |                             |

### 3. Statement of Financial Performance with notes

Refer to attached financial statements.

### 4. Statement of Financial Position 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 distribution paid on 14 February 2007 was \$261.6 million, of which \$147.9 million was reinvested in MIG securities through the DRP. Of the total distribution paid on 14 August 2007 of \$251.7 million, \$49.4 million was reinvested through the DRP. These securities were sourced from on-market purchases of existing securities.

## 8. Statement of retained earnings showing movements

Refer to attached financial statements (Note 24: Retained Profits and Losses).

## 9. Net tangible assets per security

|   | Current period (As at 30 June 2007) | Previous corresponding Period (As at 30 June 2006) |
|---|-------------------------------------|--|
| Net asset backing per stapled security before deferred tax balances per Management Information Report                 | \$3.89                              | \$4.06   |
| Net asset backing per stapled security before deferred tax balances per Management Information Report (excluding SRG) | \$3.89                              | \$3.60   |
| Net tangible asset backing per stapled security   | \$2.50                              | \$1.80   |

\* 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 | Sydney Roads Trust | Sydney Roads Limited | Toll Roads Investors Partnership II LP | Macquarie 125 Holdings Inc |
| 10.2 Date control was lost   | 1 Aug 2006         | 1 Aug 2006           | 15 Dec 2006                            | 15 Dec 2006                |

|  |            |              |              |              |
|--|------------|--------------|--------------|--------------|
| 10.3 Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the current period to the date of loss of control | 9,462,224  | 1,037,722    | (21,655,831) | (14,730,214) |
| 10.4 Profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) while controlled during the previous corresponding period          | 30,939,878 | (30,015,636) | (22,222,849) | 12,888,922   |

### 11. Details of associates and joint venture entities

Refer attached financial statements (Note 13 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   | 66.57 ¢        | 13.37 ¢                       |
|  | <b>\$A'000</b> | <b>\$A'000</b>                |
| 14.2 Returns to shareholders:<br>Distributions   | \$1,462,180    | \$512,856                     |
| NB, Current period distributions include \$948,906 in relation to the in specie distribution of SRG. Refer to Section 2.6. |                |                               |
| Refer also attached financial statements (Directors Report and Note 5: Distributions Paid and Proposed)                    |                |                               |

*Commentary on significant features of operating performance*

|  | Consolidated<br>30-Jun-07<br>\$'000 | Consolidated<br>30-Jun-06<br>\$'000 |
|--|-------------------------------------|-------------------------------------|
| <b>Revenue and other income from continuing activities</b>   |                                     |                                     |
| Revenue from continuing activities   | 314,665                             | 509,128                             |
| Other income from continuing activities  | 2,425,700                           | 551,081                             |
| <b>Total revenue and other income from continuing activities</b>   | <b>2,740,365</b>                    | 1,060,209                           |
| <b>Operating expenses from continuing activities</b>   |                                     |                                     |
| Financing costs excluding costs attributable to security holders   | (254,172)                           | (330,550)                           |
| Other operating expenses   | (375,720)                           | (401,006)                           |
| <b>Total operating expenses from continuing activities before finance costs attributable to security holders*</b>                  | <b>(629,892)</b>                    | (731,556)                           |
| <b>Net profit from continuing activities before income tax benefit and finance costs attributable to security holders*</b>         | <b>2,110,473</b>                    | 328,653                             |
| Income tax benefit/(expense)   | 133,908                             | 141,383                             |
| <b>Net profit from continuing activities after income tax benefit and before finance costs attributable to security holders*</b>   | <b>2,244,381</b>                    | 470,036                             |
| Finance costs attributable to MIT(I) unitholders   | -                                   | (107,356)                           |
| Finance costs attributable to AMT unitholders  | (1,974)                             | (19,607)                            |
| <b>Net profit from continuing activities after income tax benefit/(expense) and finance costs attributable to security holders</b> | <b>2,242,407</b>                    | 343,073                             |
| <b>Net profit/(loss) attributable to:</b>  |                                     |                                     |
| MIG security holders   | 1,702,253                           | 317,371                             |
| Minority interest  | 540,154                             | 25,702                              |
|  | <b>2,242,407</b>                    | 343,073                             |

## Overview of Operating Performance

Net profit attributable to MIG security holders for the year ended 30 June 2007 was A\$1,702.3 million (2006: A\$424.7 million before finance costs attributable to MIT(I) unit holders) and reflects the impacts of the demerger of MIG's mature Australian toll road assets and sale of 50% of MIG's interests in its four US assets, as well as the revaluation of MIG's non-controlled toll road assets.

— **Revenue from continuing activities of A\$314.7 million (2006: A\$509.1 million)**

The primary contributor to the decrease from 2006 is the reduction in consolidated toll revenue to A\$184.9 million (2006: A\$320.5 million) following the demerger and divestment of four consolidated toll road assets during the period.

These transactions also reduce consolidated operational expenses recognised for the period.

— **Other income from continuing activities of A\$2,425.7 million (2006: A\$551.1 million)**

Revaluation gains in relation to the de-risking of assets and initial recognition of MIG's interests in South Bay Expressway and Dulles Greenway at fair value following cessation of control has resulted in a significant increase in revaluation income to A\$1,773.5 million (2006: A\$487.2 million). Of this amount, A\$1.08 billion relates to revaluation gains associated with APRR, of which 50% is attributable to the minority interest in this investment.

Additionally, a net gain on the sale of investments and deconsolidation/demerger of subsidiaries of A\$644.8 million was recognised in 2007, following the demerger of SRG and sale of 50% of MIG's interests in its four US assets.

— **Finance costs attributable to MIT(I) unit holders**

Finance costs attributable to MIT(I) unit holders represent the profits attributable to MIT(I) unit holders during the period when MIT(I)'s units were classified as financial liabilities rather than equity under Australian Accounting Standards. This treatment applied only to the period 1 July 2005 to 22 June 2006. The A\$107.4 million finance costs should be added back to the profit attributable to MIG security holders in order to derive a result that is comparable to 2007 and with future reporting periods.

— **Income tax benefit of A\$133.9 million (2006: A\$141.4 million)**

The release of deferred tax liabilities no longer required following the demerger of SRG, partially offset by an increase in deferred tax liabilities associated with asset revaluations, has resulted in the recognition of an income tax benefit of A\$133.9 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.<br>(refer attached financial statements) | <input type="checkbox"/> | The accounts have been subject to review.<br>(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