



# Macquarie Infrastructure Group

## Management Information Report

For the year ended  
30 June 2007

Macquarie Infrastructure Group (MIG) comprises Macquarie Infrastructure Trust (I) ARSN 092 863 780 (MIT(I)), Macquarie Infrastructure Trust (II) ARSN 092 863 548 (MIT(II)) and Macquarie Infrastructure Group International Limited ARBN 112 684 885 (MIGIL).

Macquarie Infrastructure Investment Management Limited ACN 072 609 271 (MIIML) is the responsible entity of MIT(I) and MIT(II). MIIML is a wholly owned subsidiary of Macquarie Bank Limited ACN 008 583 542 (MBL).

Macquarie Investment Management (UK) Limited (MIM UK) registered number 3976881 is the adviser of MIGIL. MIM UK is a wholly owned subsidiary of MBL.

Investments in MIG are not deposits with or other liabilities of MBL, or any entity in the Macquarie Bank Group and are subject to investment risk, including possible delays in repayment and loss of income and capital invested. Neither MBL, nor any member of the Macquarie Bank Group, including MIIML and MIM UK, guarantees the performance of MIG, the repayment of capital or the payment of a particular rate of return on MIG stapled securities.

This report is not an offer or invitation for subscription or purchase of or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making an investment in MIG, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

MIIML, as responsible entity of the trusts comprised by MIG and MIM UK as the adviser of MIGIL are entitled to fees for so acting. MBL and its related corporations (including MIIML and MIM UK) together with their officers and directors and officers and directors of MIGIL may hold stapled securities in MIG from time to time.

# Management Information Report

For the year ended 30 June 2007

## Table of Contents

Overview of MIG .....	3
Overview of MIG Management Information Report .....	4
Proportionate EBITDA .....	5
Proportionate EBITDA per Security .....	6
Enterprise Value .....	6
Aggregated Balance Sheet.....	7
Net Asset Backing per Stapled Security .....	7
Aggregated Cash Flow Statement.....	8
Operational Discussion and Analysis .....	9
Notes to MIG Management Information Report.....	11

# Management Information Report

For the year ended 30 June 2007

## Overview of MIG

### Assets

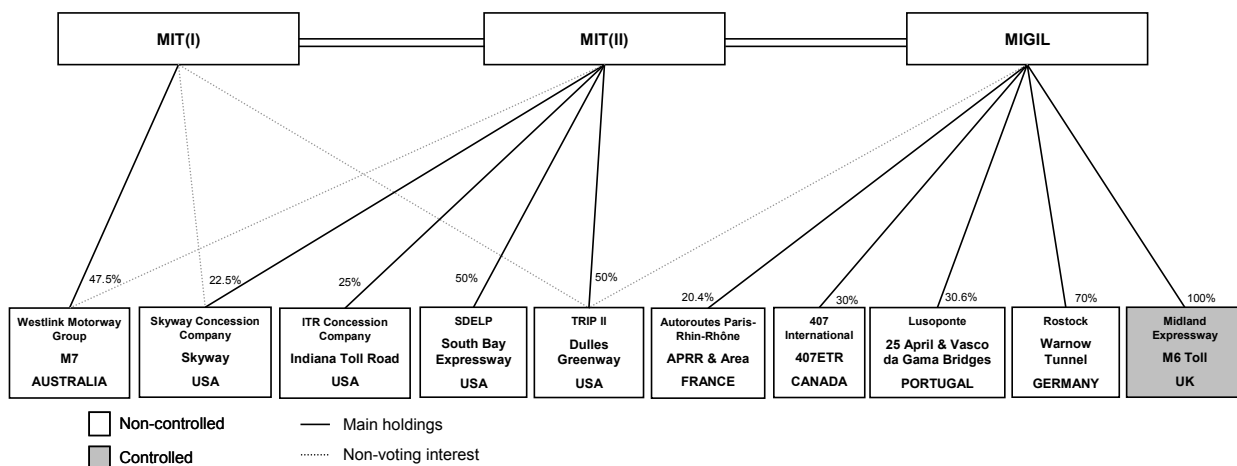
Macquarie Infrastructure Group (MIG) is a global investor in toll roads. At 30 June 2007 MIG's portfolio of toll road assets and percentage interest are set out below.

Asset	Location	Reporting currency	Date of initial acquisition	MIG's interest as at:	
				30 June 2007	30 June 2006
407ETR	Canada	CAD	26 Oct 2004	30.0	30.0
M6 Toll	UK	GBP	Oct 1999	100.0	100.0
Financière Eiffarie (APRR)	France	EUR	20 Feb 2006	20.4	20.4
Westlink M7	Australia	AUD	14 Feb 2003	47.5	45.0
Dulles Greenway	USA	USD	8 Sep 2005	50.0	100.0
Indiana Toll Road	USA	USD	29 Jun 2006	25.0	50.0
Chicago Skyway	USA	USD	24 Jan 2005	22.5	45.0
Tagus River Crossings	Portugal	EUR	Oct 1999	30.6	30.6
South Bay Expressway	USA	USD	Sep 2002	50.0	100.0
Warnow Tunnel	Germany	EUR	Dec 2000	70.0	70.0
Eastern Distributor	Australia	AUD	18 Aug 1997	-	71.4
M5 South-West Motorway	Australia	AUD	16 Dec 1996	-	50.0
M4 Motorway	Australia	AUD	19 Dec 2002	-	50.6

### Structure

MIG is a triple stapled security listed on the Australian Stock Exchange. Stapled securities are two or more securities that are quoted and traded as if they were a single security. A MIG stapled security consists of a unit in Macquarie Infrastructure Trust (I) (MIT(I)), a unit in Macquarie Infrastructure Trust (II) (MIT(II)) and a share in Macquarie Infrastructure Group International Limited (MIGIL).

The diagram below shows the split of MIG's portfolio of assets between the three MIG stapled entities.



## Management Information Report

For the year ended 30 June 2007

# Overview of MIG Management Information Report

This Report contains Proportionate EBITDA, Aggregated Balance Sheet, Aggregated Cash Flow Statement and other measures for the year ended 30 June 2007. It has been prepared using policies adopted by the directors of Macquarie Infrastructure Investment Management Limited (MIIML) and, unless stated otherwise, these policies have been consistently applied to all periods presented in this Report.

The purpose of this Report is to provide information supplementary to the MIG financial report. This Report has been prepared on a different basis to the MIG financial report. The information contained within this Report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and the cash flows of MIG as the financial report. This Report should be read in conjunction with the financial reports of MIG.

Further details in relation to the preparation of this Report are set out below and in the notes on pages 11 to 14.

PricewaterhouseCoopers (PwC) have been engaged to perform certain procedures for the directors of MIIML in relation to their preparation of the Proportionate EBITDA in this Report on the basis set out above. The responsibility for determining the adequacy or otherwise of the agreed upon procedures to be performed by PwC is that of the directors, and these procedures were performed solely to assist the directors of MIIML in evaluating the accuracy of the disclosures.

PwC conducted their engagement in accordance with Australian Auditing Standards applicable to agreed upon procedures engagements. The procedures do not constitute either an audit or review in accordance with Australian Auditing Standards and accordingly PwC express no assurance over the accuracy of the Proportionate EBITDA.

PwC has undertaken an Independent Review of the Aggregated Balance Sheet and Aggregated Cash Flow Statement disclosed in this Report. A review is substantially less in scope than an audit in accordance with Australian Auditing Standards.

## Proportionate EBITDA

The reported proportionally consolidated EBITDA measures MIG's operating result before application of non-cash items such as interest, income tax, depreciation and amortisation. In essence the EBITDA indicates the operating cash generated by MIG as a business.

### *Proportional consolidation*

Proportional consolidation involves an aggregation of the results of MIG's toll road assets in the proportion held. Proportion held is determined on an economic interest basis and does not take into account control considerations, unlike MIG's consolidated financial report. Only assets in which MIG has management involvement are proportionally consolidated.

### *Actual versus pro forma*

The 'actual' approach to proportional consolidation takes into account MIG's proportionate ownership of an asset throughout the reporting period. Where MIG's ownership of an asset changes during a reporting period, or when an asset is acquired or disposed, that asset's results for the period are included on a time-weighted ownership basis.

Under the 'pro forma' approach, MIG aggregates the results of its assets for both current period and prior corresponding period (pcp) based on its proportionate ownership as at the end of the current period. This therefore reflects the period-on-period performance of MIG's current portfolio.

## Aggregated Balance Sheet

The Aggregated Balance Sheet represents the aggregation of the balance sheet of each of the MIG stapled entities and their wholly owned subsidiaries, excluding entities that form part of the road operator company groups. All toll road investments are recognised at fair value, unlike the treatment in the MIG financial report, where the M6 Toll is consolidated under the historical cost convention. The Aggregated Balance Sheet generates MIG's Net Asset Backing (NAB) per security.

## Aggregated Cash Flow Statement

The Aggregated Cash Flow Statement represents the aggregation of the cash flows attributable to MIG security holders. This includes the cash flows of each of the MIG stapled entities and their wholly owned subsidiaries, excluding entities which form part of the road operator company groups. The Aggregated Cash Flow Statement shows all cash received by MIG from its asset portfolio as well as MIG level corporate cash flows.

## Management Information Report

For the year ended 30 June 2007

### Proportionate EBITDA

<b>ACTUAL</b>	<b>Current Quarter (\$m)</b>					<b>12 months YTD (\$m)</b>				
	Current	Pcp	change	%	ex FX %	Current	Pcp	change	%	ex FX %
<b>Traffic % change</b>				(11.7%)	(11.7%)				37.4%	37.4%
Operating revenue	280.6	308.6	(28.0)	(9.1%)	(4.5%)	1,161.1	780.5	380.6	48.8%	49.3%
Operating expenses	(71.6)	(86.2)	14.6	(17.0%)	(12.5%)	(317.1)	(198.9)	(118.1)	59.4%	60.1%
<b>EBITDA from assets</b>	<b>209.0</b>	<b>222.4</b>	<b>(13.4)</b>	<b>(6.0%)</b>	<b>(1.4%)</b>	<b>844.1</b>	<b>581.6</b>	<b>262.5</b>	<b>45.1%</b>	<b>45.6%</b>
Corporate net expenses	(21.8)	(34.4)	12.6	(36.5%)		(104.1)	(126.0)	21.9	(17.4%)	
<b>EBITDA</b>	<b>187.2</b>	<b>188.0</b>	<b>(0.8)</b>	<b>(0.4%)</b>		<b>739.9</b>	<b>455.6</b>	<b>284.4</b>	<b>62.4%</b>	
Net asset interest	(142.2)	(125.9)	(16.3)	12.9%		(493.1)	(334.0)	(159.1)	47.6%	
Net corporate interest	25.7	8.9	16.8	187.5%		86.7	38.8	47.9	123.7%	
Net tax paid	(16.8)	(32.5)	15.7	(48.2%)		(56.9)	(47.4)	(9.6)	20.2%	
Asset net debt	10,262.3	12,511.7	(2,249.5)	(18.0%)		10,262.3	12,511.7	(2,249.5)	(18.0%)	
Corporate net debt	(1,589.5)	(784.8)	(804.7)	102.5%		(1,589.5)	(784.8)	(804.7)	102.5%	
ReCNs	-	471.5	(471.5)	(100.0%)		-	471.5	(471.5)	(100.0%)	
<b>Total net debt</b>	<b>8,672.8</b>	<b>12,198.4</b>	<b>(3,525.6)</b>	<b>(28.9%)</b>		<b>8,672.8</b>	<b>12,198.4</b>	<b>(3,525.6)</b>	<b>(28.9%)</b>	

<b>PRO FORMA</b>	<b>Current Quarter (\$m)</b>					<b>12 months YTD (\$m)</b>				
	Current	Pcp	change	%	ex FX %	Current	Pcp	change	%	ex FX %
<b>Traffic % change</b>				2.9%	2.9%				6.5%	6.5%
Operating revenue	280.6	264.6	16.0	6.1%	10.7%	1,102.0	958.4	143.6	15.0%	14.2%
Operating expenses	(71.6)	(78.3)	6.8	(8.6%)	(4.1%)	(303.1)	(303.5)	0.4	(0.1%)	(1.1%)
<b>EBITDA from assets</b>	<b>209.0</b>	<b>186.2</b>	<b>22.8</b>	<b>12.2%</b>	<b>16.9%</b>	<b>799.0</b>	<b>654.9</b>	<b>144.0</b>	<b>22.0%</b>	<b>21.3%</b>
Corporate net expenses	(21.8)	(34.4)	12.6	(36.5%)		(104.1)	(126.0)	21.9	(17.3%)	
<b>EBITDA</b>	<b>187.2</b>	<b>151.9</b>	<b>35.4</b>	<b>23.3%</b>		<b>694.8</b>	<b>528.9</b>	<b>165.9</b>	<b>31.4%</b>	
Net asset interest	(142.2)	(121.0)	(21.2)	17.5%		(501.1)	(364.9)	(136.2)	37.3%	
Net corporate interest	25.7	8.9	16.8	187.5%		86.7	38.8	47.9	123.7%	
Net tax paid	(16.8)	(27.9)	11.1	(39.7%)		(52.1)	(60.2)	8.2	(13.5%)	
Asset net debt	10,262.3	9,696.1	566.2	5.8%		10,262.3	9,696.1	566.2	5.8%	
Corporate net debt	(1,589.5)	(784.9)	(804.6)	102.5%		(1,589.5)	(784.9)	(804.6)	102.5%	
ReCNs	-	471.5	(471.5)	(100.0%)		-	471.5	(471.5)	(100.0%)	
<b>Total net debt</b>	<b>8,672.8</b>	<b>9,382.7</b>	<b>(709.9)</b>	<b>(7.6%)</b>		<b>8,672.8</b>	<b>9,382.7</b>	<b>(709.9)</b>	<b>(7.6%)</b>	

The above Proportionate EBITDA has been prepared in accordance with Note 1

## Management Information Report

For the year ended 30 June 2007

### Proportionate EBITDA per Security

		<b>Actual Results 12 months to 30 June 2007</b>	Actual Results 12 months to 30 June 2006
Weighted average MIG securities on issue	#000	2,557,265	2,373,725
EBITDA per security from assets (cents)		33.0	24.5
EBITDA per security (cents)		28.9	19.2

The number of securities on issue increased over the prior period as a combined result of security holders' participation in the Distribution Reinvestment Plan in August 2006 and the conversion of ReCNs into MIG securities in November 2006, partially offset by the buyback of 179,261,530 securities during the period.

### Enterprise Value

	<b>Actual as at 30 June 2007 \$m</b>	Actual as at 30 June 2006 \$m
Total net debt	8,672.8	12,198.4
MIG net assets before deferred tax liabilities	9,779.8	10,065.1
<b>Enterprise Value</b>	<b>18,452.6</b>	<b>22,263.5</b>
Net debt/Enterprise Value	47.0%	54.8%

The above Enterprise Value has been prepared as the basis described in Note 1.3

## Management Information Report

For the year ended 30 June 2007

### Aggregated Balance Sheet

	Note	As at 30 June 2007 \$'000	As at 30 June 2006 \$'000
<b>Investments</b>			
407ETR		3,039,267	2,960,062
M6 Toll		2,469,184	2,721,309
Financière Eiffarie (APRR)		909,770	525,409
Westlink M7		760,561	665,967
Dulles Greenway		394,998	904,071
Indiana Toll Road		255,010	503,226
Chicago Skyway		242,984	456,331
Tagus River Crossings		216,967	234,697
South Bay Expressway		161,843	185,655
Warnow Tunnel		2,431	-
Transtoll		1,101	1,140
Sydney Roads Group Assets		-	1,409,002
<b>Total Investment Portfolio</b>	2	<b>8,454,116</b>	<b>10,566,869</b>
<b>Non-Investment Assets</b>			
Cash and cash equivalents		1,589,886	785,175
Receivables		17,189	12,097
Prepayments		414	4,671
Other		-	3,793
<b>Total Non-Investment Assets</b>		<b>1,607,489</b>	<b>805,736</b>
<b>Total Assets</b>		<b>10,061,605</b>	<b>11,372,605</b>
<b>Liabilities</b>			
Interest-bearing financial liabilities		-	995,000
Payables		23,774	39,868
Distribution payable		251,679	272,306
Current tax liabilities		6,326	300
Deferred tax liabilities		113,570	419,775
<b>Total Liabilities</b>		<b>395,349</b>	<b>1,727,249</b>
<b>Net Assets</b>		<b>9,666,256</b>	<b>9,645,356</b>

The above Aggregated Balance Sheet should be read in conjunction with Notes 1 and 2.

### Net Asset Backing per Stapled Security

	As at 30 June 2007 \$	As at 30 June 2006 \$
<b>Net asset backing per stapled security as per Aggregated Balance Sheet</b>		
Net asset backing per stapled security before deferred tax liabilities	3.89	4.06
Net asset backing per stapled security before deferred tax liabilities (ex SRG)	3.89	3.66
Net asset backing per stapled security after deferred tax liabilities (ex SRG)	3.84	3.60
	# '000	# '000
Number of stapled securities on issue	2,516,791	2,475,499

## Management Information Report

For the year ended 30 June 2007

# Aggregated Cash Flow Statement

	12 months to 30 June 2007 \$'000	12 months to 30 June 2006 \$'000
<b>Cash flow received from assets</b>		
407ETR – dividend	35,245	48,228
M6 Toll – dividend	991,958	-
Financière Eiffarie (APRR) – dividend	115,919	-
Financière Eiffarie (APRR) – interest	21,179	-
Westlink M7 – interest	-	13,195
Dulles Greenway – interest	6,733	23,354
Dulles Greenway – return of capital	1,104	3,624
Indiana Toll Road – capital return	4,548	-
Chicago Skyway – capital return	4,842	221,775
Tagus River Crossings – dividend	5,985	1,139
Tagus River Crossings – loan principal repayment	-	8,602
Transurban – dividend	-	9,371
SRG assets – dividend	9,004	341,289
<b>Total cash flow received from assets</b>	<b>1,196,517</b>	<b>670,577</b>
<b>Other MIG operating cash flows</b>		
Interest received on corporate cash balances	93,418	47,917
Indirect taxes received	9,921	21,941
Other income received	4,077	849
Payments to suppliers and employees (inclusive of GST)	(40,926)	(31,282)
Responsible entity and manager base fees paid	(92,961)	(112,027)
Responsible entity and manager performance fees paid	-	(13,041)
Income taxes paid	(24)	(45)
<b>Total MIG operating cash flow including refinancing proceeds</b>	<b>1,170,022</b>	<b>584,889</b>
<b>MIG investing and financing cash flows</b>		
Proceeds from sale of assets		
Proceeds from sale of assets to MIP	987,549	-
Proceeds from demerger of SRG, net of cash disposed	108,119	-
Proceeds from disposal of Transurban Group	-	151,043
Payments for purchase of investments	(34,648)	(1,814,638)
Loans advances to investments/related entities	(48,404)	(2,516)
Net external borrowing	(230,000)	230,000
Borrowing costs paid	(6,558)	(5,472)
On market buyback	(637,212)	-
DRP proceeds received	147,785	306,469
Distributions paid	(533,899)	(538,222)
Proceeds from issue of securities	-	784,307
Costs of raising capital	-	(8,112)
<b>Total MIG investing and financing cash flows</b>	<b>(247,591)</b>	<b>(897,141)</b>
<b>Net increase/(decrease) in cash assets held</b>	<b>922,754</b>	<b>(312,252)</b>
Cash assets at the beginning of the year	785,175	1,082,268
Exchange rate movements	(118,043)	15,159
<b>Cash assets at the end of the year</b>	<b>1,589,886</b>	<b>785,175</b>

The above Aggregated Cash Flow Statement should be read in conjunction with Note 1.

## Management Information Report

For the year ended 30 June 2007

# Operational Discussion and Analysis

### Summary

MIG's underlying growth in traffic, revenue and EBITDA were driven by the acquisition of Indiana Toll Road on 29 June 2006, the strong performance of the French motorway network, Autoroutes Paris-Rhin-Rhône (APRR), growth on the M6 Toll and the opening of Westlink M7 on 16 January 2006.

Actual EBITDA from assets for the June 2007 quarter decreased by 6.0% (1.4% excluding the impact of currency movements), reflecting the full impact of the SRG demerger and the divestment of 50% of MIG's interests in its four US road assets to MIP.

### Traffic

Underlying weighted average traffic was up 2.9% for the quarter and up 6.5% YTD. Growth in underlying traffic was driven by the opening of the Westlink M7 project and growth on APRR, 407 ETR and M6 Toll.

MIG's actual traffic was down 11.7% for the quarter, reflecting impacts of the SRG demerger and divestment to MIP. Weighted average traffic was up 37.4% YTD.

### Operating revenue

Underlying revenue increased 6.1% for the quarter and 15.0% YTD. Foreign exchange movements had an unfavourable impact on asset revenue for the quarter as a result of the strengthening of the AUD against CAD, EUR, GBP and USD as compared to the pcp. Excluding currency impacts underlying operating revenue was up 10.7% and 14.2% for the quarter and YTD respectively.

Actual operating revenue increased 48.8% YTD, but decreased 9.1% for the quarter, reflecting impacts of the SRG demerger and 50% divestment. The increase in actual YTD revenue was driven by the acquisitions of APRR and Indiana Toll Road, the opening of Westlink M7 and growth on the M6 Toll, and was offset by the SRG demerger and 50% divestment.

MIG experienced effective average toll growth (excluding currency effects) of 7.5% (5.7% real) for the quarter. This growth is largely the result of increases in toll rates, but is also impacted by other factors including changes to the mix of vehicle types and trip patterns.

### Operating expenses

Underlying operating expenses reduced AUD6.8m (8.6%) for the quarter, achieved via effective cost control initiatives in the M6 Toll and lower operating expenses in Westlink M7 and APRR. On a YTD basis operating expenses decreased AUD0.4m (0.1%) on pcp.

Actual operating expenses for the quarter decreased AUD14.6m (17.0%) against pcp, driven largely by the impacts of the SRG demerger and the 50% divestment. YTD actual operating expenses increased AUD118.1m, attributable mainly to the APRR, Indiana Toll Road and Westlink M7, as offset by the SRG demerger and 50% divestment.

Operating expenses have been adjusted for non cash items in the case of M6 Toll (Land fund expense), and Dulles Greenway (Easement expense).

## Management Information Report

For the year ended 30 June 2007

### Operational Discussion and Analysis (cont)

#### EBITDA from assets

EBITDA from assets for the quarter was AUD209.0m, representing an underlying increase of 12.2% from pcp. YTD underlying EBITDA from assets increased 22.0% to AUD799.0m. Excluding the impacts of foreign exchange movements, underlying EBITDA from assets was up 16.9% for the quarter and 23.1% YTD.

Underlying EBITDA margin from assets increased to 74.5% from 70.4% for the quarter, and to 72.5% from 68.3% YTD. The overall increase in EBITDA margin has been achieved through revenue growth and a number of cost control initiatives implemented across the MIG portfolio.

#### Net corporate expenses

Corporate net expenses decreased AUD12.6m for the quarter as a result of a reduction in management fee expense (AUD4.1m) and the absence of expenditure incurred in the pcp in connection with the SRG demerger. Management fees were AUD16.0m less than pcp on a YTD basis, reflecting MIG's lower market capitalisation over this period and higher cash balances held (on which MIG pays no fee). Detail on major cash movements is provided in the net debt section below.

#### Net interest and tax paid

Underlying cash interest paid by assets was up AUD21.2m (17.5%) for the quarter, driven largely by APRR, Indiana Toll Road and as offset by the M6 Toll. The AUD136.2m (37.3%) increase in underlying YTD cash interest paid was attributable to the APRR, the additional interest and costs paid in connection with the refinancing of the M6 Toll, Indiana Toll Road and the opening of the Westlink M7, as offset by the absence of refinance costs paid by Skyway in the pcp.

Actual cash interest paid by assets increased AUD16.3m (12.9%) for the quarter. This increase was attributable to Indiana Toll Road and APRR, as partially offset by the M6 Toll and the impacts of the SRG demerger and 50% divestment. YTD cash interest paid was up AUD159.1m (47.6%), reflecting the acquisitions of APRR and Indiana Toll Road, M6 Toll (costs in connection with the refinancing) and Westlink M7.

Corporate net interest received increased AUD16.8m for the quarter, as a result of a higher corporate cash balance. YTD corporate net interest received was AUD47.9m higher than pcp. The YTD amount includes an offsetting interest payment of AUD4.9m on the AUD500m standby facility drawdown in connection with the acquisition of Indiana Toll Road. This was repaid in full on 25 August 2006, with proceeds from the M6 Toll regearing.

The underlying decrease in cash tax paid of AUD11.1m for the quarter was referable to the APRR. The decrease in actual cash tax paid of AUD15.7m for the quarter was driven by the APRR and the SRG demerger.

#### Net debt

Underlying asset net debt increased AUD566.2m, attributable mainly to the M6 Toll, as offset by the negative impact of currency movements on net debt across MIG's asset portfolio.

Actual asset net debt decreased by AUD2,249.5m against pcp following the SRG demerger and 50% divestment (of Indiana Toll Road in particular).

Corporate net debt reduced as a result of a net AUD804.7m increase in cash balance. During current YTD, MIG received cash proceeds from the 50% divestment in December 2006, refinance of M6 Toll in August 2006, asset distributions and returns made on short-term money market investments. Significant cash outflows in the same period include the on-market buyback (AUD637.2m), June 2006 final and December 2006 interim distributions (AUD386.1m net of DPR proceeds) and repayment of the drawn standby facility in August 2006 (AUD230.0m).

# Management Information Report

For the year ended 30 June 2007

## Notes to MIG Management Information Report

### 1. Summary of Significant Policies

The significant policies used in the preparation of this Report are stated to assist in a general understanding of this Report.

#### 1.1 Proportionate EBITDA

The principal policies adopted in the preparation of Proportionate EBITDA contained in this Report include:

##### **Foreign exchange rates**

All Proportionate EBITDA information contained in this Report is disclosed in Australian dollars unless stated otherwise. Average foreign currency exchange rates are used for each quarter.

##### **MIG proportionate ownership interest**

Under the 'Actual' approach, the interest of MIG in the relevant investments is calculated on a weighted average basis according to the number of days in the relevant period during which MIG held an interest resulting in either control or significant influence ("ownership interest").

In presenting this information, the following pro rata adjustments have been made under the 'actual' approach.

- The results of the Indiana Toll Road, in which MIG acquired a 50.0% interest on 29 June 2006, have been reflected in the current quarter and YTD. MIG's interest in this asset decreased to 25.0% on December 2006 as a consequence of the 50% divestment to MIP. Results of the Indiana Toll Road had not been included in the 30 June 2006 Management Information Report as they were not available at the time of preparation of the report. These results have been included in the pcp quarter and YTD of this Report, pro rated from the 29 June 2006.
- Results of Autoroutes Paris-Rhin-Rhône (APRR) have been pro rated based on MIG's two-step investment in that asset in February and April 2006. MIG acquired its 18.7% interest in APRR on 21 February 2006 and a further 1.7% on 13 April 2006.
- The divestment of 50% of MIG's interests in its four US roads: Dulles Greenway, Chicago Skyway, Indiana Toll Road and South Bay Expressway, has been reflected at the date of divestment, 15 December 2006. Up to 14 December 2006, the results of the four roads have been reported at MIG's pre-divestment proportionate ownerships.
- MIG's additional 2.5% interest in Westlink M7, bringing MIG's total interest in that asset to 47.5%, has been reflected in the asset's actual results from 28 September 2006.
- Results of the Eastern Distributor, M5 Motorway and M4 Motorway have been included up to 31 July 2006, when these assets were demerged from MIG into Sydney Roads Group (SRG).
- Pcp actual EBITDA, cash interest and tax paid numbers for Dulles Greenway have been pro rated based on MIG's September 2005 two-step investment in that asset.

##### **Interest and tax paid**

Interest and tax amounts are shown net, and reflect actual cash paid/received. Interest includes refinancing costs and distributions on preference shares.

##### **Corporate interest and expenses**

Corporate interest and expenses are presented separately from underlying toll road asset performance. Net corporate interest reflects interest received on cash balances less interest paid on corporate facilities.

Corporate expenses include management fees, performance fees (even when the Responsible Entity elects to reinvest its entitlement in scrip) and other expenses incurred in running the business such as registry and custodian fees.

The results of Transtoll, in which MIG has a total interest of 59.5% (61.0% pcp), have been included, below 'EBITDA from assets', in the 'corporate net expense' line.

# Management Information Report

For the year ended 30 June 2007

## Notes to MIG Management Information Report (cont'd)

### 1. Summary of Significant Policies (cont)

#### 1.2 Proportionate Net Debt

Net debt, being total debt less cash balances, is reported at both asset and corporate level. Included in cash balances are restricted cash holdings.

Where the profile of a debt instrument is either amortising or accretive, no adjustment is made to the principal balance presented at reporting dates which fall between specified interest capitalisation or debt amortisation dates. Therefore net debt represents principal amounts inclusive of capitalised interest only unless otherwise stated below.

Where interest rate swaps are structured to mirror a series of capital accretion bonds (e.g. Skyway), a calculation of the notional principal outstanding on these bonds is undertaken. This notional principal is incorporated in net debt consistent with the treatment above.

Net debt in relation to Real Return Bonds reflects the present value of expected future cash flows on the bonds discounted at the internal rate of return. This is as recorded in the financial statements of 407ETR.

Where interest rate swaps have been structured to defer the payment of interest until later years of an asset life (e.g. M6 Toll and Indiana Toll Road), an effective interest rate for the swap is calculated. An interest accrual is included within net debt, reflecting the difference between the cumulative interest charge using this effective interest rate and the fixed payments made to date under the interest rate swap.

#### 1.3 Enterprise Value

Enterprise Value is calculated by aggregating:

- MIG's total net debt
- MIG's net assets before deferred tax liabilities

Total net debt includes net debt at the road assets level and the corporate level as set out in Note 1.2 above. MIG's net assets before deferred tax liabilities can be reconciled to the Aggregated Balance Sheet.

All Enterprise Value information contained in this Report is disclosed in Australian dollars unless stated otherwise.

#### 1.4 Aggregated Balance Sheet

The Aggregated Balance Sheet represents the aggregation of the balance sheet of each of the MIG stapled entities and their wholly owned subsidiaries, excluding entities that form part of the road operator company groups. All toll road investments are recognised at fair value, unlike the treatment in the MIG financial report, where the M6 Toll is consolidated under the historical cost convention.

#### 1.5 Aggregated Cash Flow Statement

The aggregated Cash Flow represents the aggregation of the cash flows attributable to MIG security holders. This includes the cash flows of each of the MIG stapled entities and their wholly owned subsidiaries, excluding entities which form part of the road operator company groups.

All information in this Report relating to Proportionate Cash Flows is disclosed in Australian dollars unless stated otherwise using foreign currency exchange rates applicable to the relevant transactions included in Proportionate Cash Flow Statement.

## Management Information Report

For the year ended 30 June 2007

### Notes to MIG Management Information Report (cont'd)

#### 2. Investments

Interests in unlisted securities in companies and trusts	Balance at 30 June 2006 \$'000	Investments \$'000	Divestments/ Repayments \$'000	Foreign Exchange Effects \$'000	Revaluations \$'000	Balance at 30 June 2007 \$'000
407ETR	2,960,062	-	-	(236,585)	315,790	3,039,267
M6 Toll	2,721,309	-	-	(123,527)	(128,598)	2,469,184
Financière Eiffarie (APRR)	525,409	-	-	(53,783)	438,144	909,770
Westlink M7	665,967	34,300	-	-	60,294	760,561
Dulles Greenway	904,071	-	(453,973)	(80,553)	25,453	394,998
Indiana Toll Road	503,226	-	(253,183)	(43,168)	48,135	255,010
Chicago Skyway	456,331	-	(228,403)	(43,966)	59,022	242,984
Tagus River Crossing	234,697	-	-	(17,691)	(39)	216,967
South Bay Expressway	185,655	53,517	(62,134)	(23,585)	8,390	161,843
Warnow Tunnel	-	-	-	-	2,431	2,431
Transtoll	1,140	348	-	-	(387)	1,101
Sydney Roads Group Assets	1,409,002	-	(1,409,002)	-	-	-
	<b>10,566,869</b>	<b>88,165</b>	<b>(2,406,695)</b>	<b>(622,858)</b>	<b>828,635</b>	<b>8,454,116</b>
<b>Total investments</b>	<b>10,566,869</b>					<b>8,454,116</b>

# Management Information Report

For the year ended 30 June 2007

## Notes to MIG Management Information Report (cont'd)

### 3. Traffic

	QUARTER			YEAR TO DATE		
	Current	Pcp	Growth	Current	Pcp	Growth
<b>407 ETR<sup>1</sup></b>						
Av Daily Rev (CAD)	1,442,209	1,289,758	11.8%	1,309,192	1,204,921	8.7%
VKT (millions)	573.258	544.541	5.3%	2,170.532	2,095.105	3.6%
Av Workday Trips	385,374	367,805	4.8%	364,776	351,115	3.9%
Av Daily Trips	316,900	302,157	4.9%	298,594	288,376	3.5%
<b>M6 Toll</b>						
Av Daily Rev (GBP)	168,479	141,140	19.4%	160,448	135,143	18.7%
Av Workday Traffic	53,658	51,349	4.5%	53,878	48,686	10.7%
Av Non-workday Traffic	36,385	36,503	(0.3%)	38,213	35,140	8.7%
Av All day Traffic	47,964	46,455	3.2%	49,028	44,522	10.1%
<b>APRR (Group)</b>						
Toll Revenue (EURm)	433	401	7.8%	1,690	1,563	8.1%
LV (VKM millions)	4,248	4,184	1.5%	16,963	16,610	2.1%
HV (VKM millions)	906	884	2.5%	3,528	3,426	3.0%
<b>Chicago Skyway</b>						
Av Daily Rev (USD)	151,862	156,872	(3.2%)	150,076	155,001	(3.2%)
Av Workday Traffic	51,013	50,474	1.1%	49,720	50,403	(1.4%)
Av Non-workday Traffic	53,316	52,362	1.8%	51,297	50,764	1.0%
Av All day Traffic	51,747	51,055	1.4%	50,217	50,515	(0.6%)
<b>Dulles Greenway</b>						
Av Daily Rev (USD)	153,906	156,711	(1.8%)	148,852	138,116	7.8%
Av Workday Traffic	67,800	69,075	(1.8%)	66,228	69,537	(4.8%)
Av Non-workday Traffic	37,884	37,548	0.9%	35,633	36,843	(3.3%)
Av All day Traffic	58,595	59,374	(1.3%)	56,672	59,415	(4.6%)
<b>Indiana Toll Road<sup>2</sup></b>						
Av Daily Rev (USD)	419,997	274,245	53.1%	376,903	254,491	48.1%
All Days - Ticket	26,413	26,852	(1.6%)	25,492	25,565	(0.3%)
All Days - Barrier	98,376	98,118	0.3%	95,238	96,347	(1.2%)
<b>Westlink M7<sup>3</sup></b>						
Av Daily Rev	419,968	347,936	20.7%	401,921	NA	NA
Av Workday Trips	122,060	103,369	18.1%	115,075	NA	NA
Av Daily Trips	106,132	90,904	16.8%	101,901	NA	NA
Av Daily Tolloed VKT	1,352,555	1,157,087	16.9%	1,303,733	NA	NA
Av Daily Travelled VKT	1,633,455	1,397,650	16.9%	1,579,802	NA	NA
<b>Warnow Tunnel</b>						
Av All day Traffic	10,662	10,160	4.9%	10,167	9,389	8.3%
<b>Lusoponte</b>						
Av Northbound Vasco da Gama	31,910	31,628	0.9%	31,541	31,205	1.1%
Av Northbound 25th April	78,860	79,371	(0.6%)	77,836	78,588	(1.0%)

1 With regard to 407 ETR, note that average daily revenue is based on total revenues.

2 With regard to Indiana Toll Road, note that the ticket system is reported in terms of full-length equivalent trips, and the barrier system is reported in terms of total transactions.

3 With regard to Westlink M7, average daily revenue is inclusive of GST. Revenue and traffic results for the YTD pcp are for the period since tolling commenced from 16 January 2006 to 30 June 2006.