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ASX COMPANY ANNOUNCEMENT

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INFRASTRUCTURE TRUST OF AUSTRALIA GROUP REPORT FOR HALF YEAR ENDED 31 DECEMBER 1998

The directors of Macquarie Infrastructure Investment Management Limited (MIIML), the Manager of the Infrastructure Trust of Australia Group ("the ITA Group") are pleased to announce the financial results of the ITA Group for the half year ended 31 December 1998.

Performance in Brief

	Current Period to 31/12/98	Previous Period to 31/12/97
Net operating result before abnormal item and income tax	\$161.4 million	\$41.0 million
Net operating result after abnormal item and income tax	\$128.3 million	\$33.5 million
Distribution per stapled security	5 cents	4 cents
Net assets	\$662.9 million	\$516.3 million
Net tangible asset backing per stapled security	\$1.34	\$1.08

Distributions and Net Income

A distribution of 5.0 cents per stapled security was paid on 16 February 1999.

The Distribution Reinvestment Plan was in operation for the distribution to stapled security holders for the half year ended 31 December 1998. The plan allows stapled security holders the choice of receiving cash distributions or reinvesting all or part of their distribution in new stapled securities issued at a discount. The discount for the 31 December 1998 distribution was 2.5%, and stapled securities were issued under the Distribution Reinvestment Plan at \$1.66 per stapled security.

The Board reaffirmed its previous position that it expected to approve a total distribution of 10 cents per stapled security for the financial year ending 30 June 1999.

Assets

During the period the following investments were revalued in line with the ITA Group's accounting policies.

Asset	Nature Of ITA Group's Interest	Book Value At 31-Dec-98	Book Value At 30-June-98	Change
Airport Motorway Group (Eastern Distributor)	68.4% of equity	\$214.1m	\$201.3m	\$12.8m
Interlink Roads Pty Limited (M5 Motorway)	50% of equity	\$161.0m	\$74.2m	\$86.8
Loy Yang Power (Loy Yang A Power Station & Mine)	12.7% of equity	\$135.4m	\$130.0m	\$5.4m
Transurban Group (City Link Toll Road)	Economic interest of 10.8% of equity	\$65.9m	\$38.9m	\$27.0m
Hills Motorway Group (M2 Toll Road)	Economic interest of 8.1% of equity	\$59.3m	\$38.4m	\$20.9m
Cash, Receivables & Loans		\$94.5m	\$114.8m	(\$20.3m)
TOTAL ASSETS		\$730.2m	\$597.6m	\$132.6m

The revaluations of these equity investments reflect the ITA Group's stated policy of investing in assets which, in the Manager's opinion, demonstrate potential for re-rating.

Revaluation of assets has continued to be conducted in accordance with the methodologies outlined in the prospectus issued for the initial subscription of stapled securities in the ITA Group. In broad terms, assets are valued taking into account the following:-

- the price of any publicly listed securities, eg Transurban Group, Hills Motorway Group;
- any third party sale of a relevant equivalent asset, eg the latest valuation of the ITA Group's 50% share holding in Interlink Roads Pty Limited reflects the recent sale by the Commonwealth Bank of its 50% share holding in Interlink Roads Pty Limited for \$161.0m; and
- the Net Present Value of future project cash flows using a discount rate which is the sum of the long term bond rate plus a premium reflecting the current risk profile of the asset.

Investment Philosophy

The Manager is currently pursuing a number of investment opportunities in North America and Europe. Most of the infrastructure assets being pursued are in the transport sector in which the Manager has considerable experience.

These opportunities have highlighted to the Manager that the guideline set out in the prospectus of limiting offshore investment to 20% of committed capital needs to be reviewed. The Manager now believes that overseas opportunities should be considered on the same basis as those in Australia and that investment decisions should be made purely on the basis of maximising unit holder returns.

Accordingly, the Manager has determined that the investment philosophy should no longer restrict investment by the ITA Group in infrastructure projects outside Australia. Under the Corporations Law, we are required to give adequate notice of this change, and, with the approval of the Trustee, have determined that this change in the investment philosophy will become effective on and from 31 March 1999.

The existing investment philosophy also provides that the Manager has the discretion on exchange rate protection for investments outside Australia. The Manager intends not to hedge foreign exchange exposure on investments.

The Manager has also decided to restrict overseas investments to OECD countries.

For further information please contact:

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