MACQUARIE ATLAS ROADS

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2011

MACQUARIE

This report comprises:

Macquarie Atlas Roads International Limited and its controlled entities
Macquarie Atlas Roads Limited and its controlled entities

Interim Financial Report
for the half year ended 30 June 2011

Macquarie Atlas Roads ("MQA") comprises Macquarie Atlas Roads International Limited (Registration No. 43828) ("MARIL") and Macquarie Atlas Roads Limited (ACN 141 075 201) ("MARL"). MARIL is an exempted mutual fund company incorporated in Bermuda with limited liability and the registered office is C/- Rosebank Centre, 11 Bermudiana Road, Pembroke, HM 08, Bermuda. MARL is a company limited by shares incorporated and domiciled in Australia and the registered office is Level 11, No 1 Martin Place, Sydney, NSW 2000, Australia. Macquarie Fund Advisers Pty Limited (ACN 127 735 960) (AFS License No.318123) ("MFA") is the adviser/manager of MARIL and MARL. MFA is a wholly owned subsidiary of Macquarie Group Limited (ACN 122 169 279) ("MGL").

None of the entities noted in this report is an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities 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 these entities.

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 MQA, 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.

MFA as adviser/manager of MARIL and MARL is entitled to fees for so acting. MGL and its related corporations (including MFA) together with their officers and directors and officers and directors of MARIL and MARL may hold stapled securities in MQA from time to time.

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Directors' Report

for the half year ended 30 June 2011

Directors' Report

The directors of Macquarie Atlas Roads International Limited ("MARIL") submit the following report together with the Interim Financial Report of Macquarie Atlas Roads ("MQA") for the half year ended 30 June 2011. *AASB 3 Business Combinations* and *AASB 127 Consolidated and Separate Financial Statements* require one of the stapled entities of a stapled structure to be identified as the parent entity for the purpose of preparing a consolidated Interim Financial Report. In accordance with this requirement, MARIL has been identified as the parent entity of the consolidated group comprising MARIL and its controlled entities and Macquarie Atlas Roads Limited ("MARL") and its controlled entities ("the MARL Group"), together comprising Macquarie Atlas Roads ("MQA" or "the Group").

The directors of MARL submit the following report for the MARL Group for the half year ended 30 June 2011.

Macquarie Fund Advisers Pty Ltd ("the Adviser/Manager" or "MFA") acts as the adviser for MARIL and the manager of MARL.

Principal Activities

The principal activity of the Group and the MARL Group (together "the Groups") is the development and operation of toll roads, bridges and tunnels and investment in entities in the same industry sector. Other than as disclosed elsewhere in this report, there were no significant changes in the nature of the Groups' activities during the half year.

Directors

The following persons were directors of MARIL during the whole of the half year and up to the date of this report (unless otherwise stated):

— Jeffrey Conyers (Chairman)
— Peter Dyer
— David Walsh
— Derek Stapley

The following persons were directors of MARL during the whole of the half year and up to the date of this report (unless otherwise stated):

— David Walsh (Chairman)
— John Roberts
— Richard England
— Jeffrey Conyers (resigned 3 August 2011)
— Marc de Cure (appointed 3 August 2011)

Dividends

No dividend was paid or declared by MARIL or MARL for the half year ended 30 June 2011.

Review and Results of Operations

On 2 February 2010, MQA was demerged from Macquarie Infrastructure Group ("MIG") following its restructure into two separate Australian Securities Exchange ("ASX") listed toll road groups, being MQA and Intoll. As part of this restructure the interests in the M6 Toll, Chicago Skyway, Indiana Toll Road, Dulles Greenway, Autoroutes Paris-Rhine-Rhône ("APRR"), South Bay Expressway, Warnow Tunnel and Transtoll were transferred to MQA.

Consequently, the comparative period presented in the Interim Financial Reports reflects ownership of the portfolio of toll road assets from 2 February 2010.

Directors' Report
for the half year ended 30 June 2011

Review and Results of Operations (continued)

The performance of MQA and the MARL Group for the half year, as represented by the results of their operations, was as follows:

	MQA Period to 30 Jun 2011 $'000	MQA Period to 30 Jun 2010 $'000	**MARL Group Period to 30 Jun 2011 $'000**	MARL Group Period to 30 Jun 2010 $'000
Revenue from continuing operations	**45,106**	48,098	**890**	459
Loss from continuing operations after income tax benefit	**(106,354)**	(226,134)	**(24,355)**	(76,456)
Profit from discontinued operations	**-**	495	**-**	495
Loss for the period	**(106,354)**	(225,639)	**(23,355)**	(75,961)

	Cents	Cents	**Cents**	Cents
Basic loss from continuing operations per MARIL/MARL share	**(18.13)**	(14.43)	**(5.38)**	(16.90)
Basic loss per MARIL/MARL share	**(18.13)**	(14.43)	**(5.38)**	(16.79)

MQA consolidates the wholly owned M6 Toll's income and expense items into its statutory financial statements. MQA's share of results of its non-controlled toll road assets are disclosed as share of net losses of investments accounted for using the equity method.

MQA's loss from continuing activities after tax for the half year ended 30 June 2011 was $106.4 million (2010: $226.1 million). The decrease in the loss for the period reflects the following significant movements:

- Other operating costs of $92.2 million (2010: $42.1 million) have increased mainly due to an increase in Manager's and Adviser's base fees and performance fees to $58.3 million in the half year ended 30 June 2011 from $7.8 million in the period ended 30 June 2010. During the half year ended 30 June 2011 MQA has recognised the full 30 June 2011 performance fee, including instalments that may become payable in future periods;
- Share of net losses of investments accounted for using the equity method of $17.3 million (2010: $242.6 million). MQA's share of net losses comprises the following: Autoroutes Paris-Rhine-Rhône (APRR) profit of $11.0 million (2010: loss of $157.0 million), Dulles Greenway loss of $10.8 million (2010: loss of $10.5 million), Chicago Skyway loss of $17.5 million (2010: loss of $41.3 million), Indiana Toll Road $nil (2010: loss of $32.6 million) and Warnow Tunnel $nil (2010: loss of $1.2 million).

  The decrease in the share of net losses of investments accounted for using the equity method is primarily due to the following:
  (i) The carrying values of both Indiana Toll Road and Warnow Tunnel were $nil at 31 December 2010 and consequently no further losses have been brought to account in relation to these investments during this period; and
  (ii) The results include fair value gains on interest rate swaps of $3.3 million for the half year ended 30 June 2011 compared to fair value losses of $143.7 million in the period ended 30 June 2010. The majority of the fair value gains/losses on interest rate swaps are taken through reserves (accounted for as effective hedges) at the non-controlled asset level. Derivative instruments are recorded at fair value which can result in significant volatility in a given period as market expectations of interest rates fluctuate; and
- In the period to 30 June 2010 Eiffarie SAS, an associate of MQA, acquired a further 13.73% interest in APRR from minority shareholders and as a consequence MQA ceased to control certain subsidiaries and recognised a gain on deconsolidation of $54.0 million.

Significant Changes in State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs during the half year under review.

Directors' Report
for the half year ended 30 June 2011

Events Occurring after Balance Sheet Date

On 1 July 2011, as permitted under MARIL and MARL's advisory and management agreements with MFA, MFA and MQA's independent directors agreed that the Manager and Adviser performance fees payable at 30 June 2011 of $20.9 million will be applied to a subscription for new MQA securities. Accordingly a total of 11,933,687 MQA securities will be issued to MFA or its assignee. These securities have not yet been issued at the date of this report.

Since balance date, the directors of MARIL and MARL are not aware of any other matter or circumstance not otherwise dealt with in the Directors' Report that has significantly affected or may significantly affect the operations of the Groups, the results of those operations or the state of affairs of the Groups in periods subsequent to the half year ended 30 June 2011.

Auditor's Independence Declaration

A copy of the auditor's independence declaration, as required under section 307C of the *Corporations Act 2001* for MARL is set out on page 7.

Rounding of Amounts in the Directors' Report and the Interim Financial Reports

The Groups are of a kind referred to in Class Order 98/100 as amended by Class Order 04/667 and Class Order 05/641, issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the Directors' Report and Interim Financial Report. Amounts in the Directors' Report and Interim Financial Reports have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Application of Class Order

The Directors' Reports and Interim Financial Reports for MQA and the MARL Group have been presented in the one report, as permitted by ASIC Class Order 05/642 as amended by Class Order 10/655.

Signed in accordance with a resolution of the directors of Macquarie Atlas Roads International Limited

Jeffrey Conyers
Chairman
Macquarie Atlas Roads International Limited
Pembroke, Bermuda
28 August 2011

Derek Stapley
Director
Macquarie Atlas Roads International Limited
Pembroke, Bermuda
28 August 2011

Signed in accordance with a resolution of the directors of Macquarie Atlas Roads Limited

David Walsh
Chairman
Macquarie Atlas Roads Limited
Sydney, Australia
29 August 2011

Richard England
Director
Macquarie Atlas Roads Limited
Sydney, Australia
29 August 2011

Auditor's Independence Declaration

As lead auditor for the review of Macquarie Atlas Roads Limited (MARL) for the half year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Macquarie Atlas Roads Limited (MARL) and the entities it controlled during the period.

Wayne Andrews

Wayne Andrews
Partner
PricewaterhouseCoopers

Sydney
29 August 2011

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Interim Financial Report
for the half year ended 30 June 2011

Consolidated Statements of Comprehensive Income

	Note	MQA Period to 30 Jun 2011 $'000	MQA Period to 30 Jun 2010 $'000	MARL Group Period to 30 Jun 2011 $'000	MARL Group Period to 30 Jun 2010 $'000
Revenue from continuing operations					
Revenue from continuing operations		**45,106**	48,098	**890**	459
Total revenue from continuing operations	2(i)	**45,106**	48,098	**890**	459
Operating expenses from continuing operations					
Finance costs		**(51,171)**	(49,868)	**-**	-
Other operating expenses		**(92,159)**	(42,114)	**(6,383)**	(1,624)
Total operating expenses from continuing operations	2(ii)	**(143,330)**	(91,982)	**(6,383)**	(1,624)
Share of net losses of investments accounted for using the equity method	4	**(17,262)**	(242,635)	**(18,974)**	(75,291)
Gain on deconsolidation	2(ii)	**-**	54,018	**-**	-
Loss from continuing operations before income tax benefit		**(115,486)**	(232,501)	**(24,467)**	(76,456)
Income tax benefit		**9,132**	6,367	**112**	-
Loss from continuing operations after income tax benefit		**(106,354)**	(226,134)	**(24,355)**	(76,456)
Profit from discontinued operations	3	**-**	495	**-**	495
Loss for the period		**(106,354)**	(225,639)	**(24,355)**	(75,961)
Other comprehensive income					
Exchange differences on translation of foreign operations		**31,029**	42,712	**(3,044)**	4,576
Cash flow hedges, net of tax		**12,758**	(77,671)	**-**	-
Other comprehensive income for the period, net of tax		**43,787**	(34,959)	**(3,044)**	4,576
Total comprehensive income for the period		**(62,567)**	(260,598)	**(27,399)**	(71,385)
Loss attributable to:					
Equity holders of the parent entity - MARIL		**(81,999)**	(65,266)	**-**	-
Equity holders of other stapled entity - MARL (as non-controlling interest/parent entity)		**(24,355)**	(75,961)	**(24,355)**	(75,961)
Stapled security holders		**(106,354)**	(141,227)	**(24,355)**	(75,961)
Other non-controlling interest		**-**	(84,412)	**-**	-
		(106,354)	(225,639)	**(24,355)**	(75,961)
Total comprehensive income attributable to:					
Equity holders of the parent entity - MARIL		**(35,168)**	(92,732)	**-**	-
Equity holders of other stapled entity - MARL (as non-controlling interest/parent entity)		**(27,399)**	(71,385)	**(27,399)**	(71,385)
Stapled security holders		**(62,567)**	(164,117)	**(27,399)**	(71,385)
Other non-controlling interest		**-**	(96,481)	**-**	-
		(62,567)	(260,598)	**(27,399)**	(71,385)
Loss from continuing operations per share attributable to MARIL/MARL shareholders		**Cents**	Cents	**Cents**	Cents
Basic loss from continuing operations per share attributable to:					
MARIL (as parent entity)		**(18.13)**	(14.43)	**-**	-
MARL (as parent entity)		**-**	-	**(5.38)**	(16.90)

The above Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

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for the half year ended 30 June 2011

Consolidated Statements of Comprehensive Income (continued)

	Note	**MQA Period to 30 Jun 2011 $'000**	MQA Period to 30 Jun 2010 $'000	**MARL Group Period to 30 Jun 2011 $'000**	MARL Group Period to 30 Jun 2010 $'000
Loss per share attributable to MARIL/MARL shareholders					
Basic loss per share attributable to:					
MARIL (as parent entity)		**(18.13)**	(14.43)	**-**	-
MARL (as parent entity)		**-**	-	**(5.38)**	(16.79)

The above Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

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Consolidated Statements of Financial Position

	Note	MQA As at 30 Jun 2011 $'000	MQA As at 31 Dec 2010 $'000	MARL Group As at 30 Jun 2011 $'000	MARL Group As at 31 Dec 2010 $'000
Current assets					
Cash and cash equivalents		**65,683**	66,047	**7,023**	7,015
Receivables		**7,039**	8,343	**8,413**	8,937
Prepayments		**1,166**	998	**82**	10
Total current assets		**73,888**	75,388	**15,518**	15,962
Non-current assets					
Receivables		**-**	-	**18,917**	18,917
Investments accounted for using the equity method	4	**923,558**	931,068	**53,657**	75,499
Property, plant and equipment		**747,862**	773,195	**-**	-
Tolling concessions		**70,229**	72,317	**-**	-
Total non-current assets		**1,741,649**	1,776,580	**72,574**	94,416
Total assets		**1,815,537**	1,851,968	**88,092**	110,378
Current liabilities					
Payables	5	**(50,276)**	(34,528)	**(2,926)**	(1,268)
Interest-bearing financial liabilities	6	**(63)**	-	**-**	-
Derivative financial instruments		**(29,909)**	(34,299)	**-**	-
Total current liabilities		**(80,248)**	(68,827)	**(2,926)**	(1,268)
Non-current liabilities					
Payables	5	**(196,596)**	(152,037)	**(3,900)**	(445)
Interest-bearing financial liabilities	6	**(1,716,212)**	(1,726,056)	**-**	-
Derivative financial instruments		**(69,106)**	(79,188)	**-**	-
Deferred tax liabilities		**(41,234)**	(51,152)	**-**	-
Total non-current liabilities		**(2,023,148)**	(2,008,433)	**(3,900)**	(445)
Total liabilities		**(2,103,396)**	(2,077,260)	**(6,826)**	(1,713)
Net (liabilities)/assets		**(287,859)**	(225,292)	**81,266**	108,665
Equity					
Equity attributable to equity holders of the parent - MARIL					
Contributed equity	7	**1,316,674**	1,316,674	**-**	-
Reserves	8	**(1,535,515)**	(1,582,346)	**-**	-
Accumulated losses	9	**(150,284)**	(68,285)	**-**	-
MARIL security holders' interest		**(369,125)**	(333,957)	**-**	-
Equity attributable to other stapled security holders - MARL					
Contributed equity	7	**194,640**	194,640	**194,640**	194,640
Reserves	8	**(14,816)**	(11,772)	**(14,816)**	(11,772)
Accumulated losses	9	**(98,558)**	(74,203)	**(98,558)**	(74,203)
Other stapled security holders' interest		**81,266**	108,665	**81,266**	108,665
Total equity		**(287,859)**	(225,292)	**81,266**	108,665

The above Consolidated Statements of Financial Position should be read in conjunction with the accompanying notes.
The financial information was approved by the Board of Directors on 28 August 2011 and was signed on its behalf by:

Jeffrey Conyers
Macquarie Atlas Roads International Limited
Pembroke, Bermuda

Derek Stapley
Macquarie Atlas Roads International Limited
Pembroke, Bermuda

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Consolidated Statements of Changes in Equity

MQA	Attributable to MARIL security holders						
	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000	Attributable to MARL security holders $'000	Other Non-controlling interest $'000	Total equity $'000
Total equity at 1 January 2011	1,316,674	(1,582,346)	(68,285)	(333,957)	108,665	-	(225,292)
Loss for the half year	-	-	(81,999)	(81,999)	(24,355)	-	(106,354)
Exchange differences on translation of foreign operations	-	34,073	-	34,073	(3,044)	-	31,029
Cash flow hedges, net of tax	-	12,758	-	12,758	-	-	12,758
Total comprehensive income	-	46,831	(81,999)	(35,168)	(27,399)	-	(62,567)
Transactions with equity holders in their capacity as equity holders:	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total equity at 30 June 2011	1,316,674	(1,535,515)	(150,284)	(369,125)	81,266	-	(287,859)

MQA	Attributable to MARIL security holders						
	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000	Attributable to MARL security holders $'000	Other Non-controlling interest $'000	Total equity $'000
Total equity at 15 December 2009	-	-	-	-	-	-	-
Loss for the period	-	-	(65,266)	(65,266)	(75,961)	(84,412)	(225,639)
Exchange differences on translation of foreign operations	-	50,205	-	50,205	4,576	(12,069)	42,712
Cash flow hedges, net of tax	-	(77,671)	-	(77,671)	-	-	(77,671)
Total comprehensive income	-	(27,466)	(65,266)	(92,732)	(71,385)	(96,481)	(260,598)
Transactions with equity holders in their capacity as equity holders:							
Demerger of MIG	1,316,674	(1,655,157)	-	(338,483)	194,640	175,702	31,859
Distribution provided for or paid	-	-	-	-	-	(287)	(287)
Deconsolidation of subsidiaries	-	-	-	-	-	(78,934)	(78,934)
	1,316,674	(1,655,157)	-	(338,483)	194,640	96,481	(47,362)
Total equity at 30 June 2010	1,316,674	(1,682,623)	(65,266)	(431,215)	123,255	-	(307,960)

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes.

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Consolidated Statements of Change in Equity (continued)

MARL Group	Attributable to MARL security holders					
	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000	Non-controlling interest $'000	Total equity $'000
Total equity at 1 January 2011	194,640	(11,772)	(74,203)	108,665	-	108,665
Loss for the half year	-	-	(24,355)	(24,355)	-	(24,355)
Exchange differences on translation of foreign operations	-	(3,044)	-	(3,044)	-	(3,044)
Total comprehensive income	-	(3,044)	(24,355)	(27,399)	-	(27,399)
Transactions with equity holders in their capacity as equity holders:	-	-	-	-	-	-
	-	-	-	-	-	-
Total equity at 30 June 2011	194,640	(14,816)	(98,558)	81,266	-	81,266

MARL Group	Attributable to MARL security holders					
	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000	Non-controlling interest $'000	Total equity $'000
Total equity at 16 December 2009	-	-	-	-	-	-
Loss for the period	-	-	(75,961)	(75,961)	-	(75,961)
Exchange differences on translation of foreign operations	-	4,576	-	4,576	-	4,576
Total comprehensive income	-	4,576	(75,961)	(71,385)	-	(71,385)
Transactions with equity holders in their capacity as equity holders:						
Demerger of MIG	194,640	-	-	194,640	-	194,640
	194,640	-	-	194,640	-	194,640
Total equity at 30 June 2010	194,640	4,576	(75,961)	123,255	-	123,255

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes.

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Consolidated Statements of Cash Flows

	MQA Period to 30 Jun 2011 $'000	MQA Period to 30 Jun 2010 $'000	**MARL Group Period to 30 Jun 2011 $'000**	MARL Group Period to 30 Jun 2010 $'000
Cash flows from operating activities				
Toll revenue received	**51,459**	50,108	**-**	-
Interest received	**662**	3,687	**174**	657
Net indirect taxes (paid)/received	**(9,111)**	(5,562)	**117**	6
Payments to suppliers and employees (inclusive of GST/VAT)	**(7,388)**	(9,518)	**(667)**	(3,473)
Manager's and Adviser's base fees paid	**(7,706)**	(1,492)	**(879)**	(211)
Payments on settlement of derivative financial instruments	**-**	(3,526)	**-**	-
Reimbursement of bid costs	**-**	4,722	**-**	-
Income taxes refunded/(paid)	**1,019**	(200)	**1,019**	-
Other income received	**1,480**	4,824	**-**	3,276
Net cash flows from/(used in) operating activities	**30,415**	43,043	**(236)**	255
Cash flows from investing activities				
Payment for purchase of investments (including transaction costs)	**(257)**	(218,222)	**-**	-
Payments for purchase of property, plant and equipment	**(685)**	(674)	**-**	-
Net cash flows used in investing activities	**(942)**	(218,896)	**-**	-
Cash flows from financing activities				
Proceeds from issue of equity prior to demerger of MIG	**-**	151,722	**-**	24,886
Cash acquired on the acquisition of subsidiaries	**-**	140,259	**-**	1,202
Proceeds from bank borrowings	**445**	764	**-**	-
Borrowing costs paid	**(29,960)**	(31,466)	**-**	-
Loans repayment from/(advanced to) related parties	**-**	-	**292**	(17,131)
Net cash flows (used in)/from financing activities	**(29,515)**	261,279	**292**	8,957
Net (decrease)/increase in cash assets held	**(42)**	85,426	**56**	9,212
Cash and cash equivalents at the beginning of the period	**66,047**	-	**7,015**	-
Effects of exchange rate movements on cash and cash equivalents	**(322)**	(1,906)	**(48)**	(81)
Cash and cash equivalents at the end of the period	**65,683**	83,520	**7,023**	9,131

The above Consolidated Statements of Cash Flows should be read in conjunction with the accompanying notes.

Interim Financial Report

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Notes to the Consolidated Financial Statements

1 Summary of Significant Accounting Policies

These general purpose Interim Financial Reports for the half year ended 30 June 2011 have been prepared in accordance with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001* (where applicable).

These general purpose Interim Financial Reports do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the period ended 31 December 2010 and any public announcements made by MQA during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (where applicable).

The accounting policies adopted are consistent with those of previous reporting periods.

(a) Basis of preparation

As permitted by ASIC Class Order 05/642 as amended by Class Order 10/655, this report consists of the consolidated financial statements of Macquarie Atlas Roads International Limited ("MARIL") and the entities it controlled at the end of and during the half year (collectively referred to as "MQA" or "the Group") and the consolidated financial statements of Macquarie Atlas Roads Limited ("MARL") and the entities it controlled at the end of and during the half year (collectively referred to as "the MARL Group").

Compliance with International Financial Reporting Standards ("IFRS")

Compliance with Australian Accounting Standard *AASB 134 Interim Financial Reporting* ensures that the Interim Financial Report complies with *IAS 34 Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Consequently, this Interim Financial Report has also been prepared in accordance with and complies with IAS 34 as issued by the IASB.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative financial instruments) at fair value.

Stapled security

The shares of MARIL and MARL are listed on the Australian Stock Exchange ("ASX") as stapled securities in MQA. The shares of MARIL and MARL cannot be traded separately and can only be traded as stapled securities.

Accounting policies

The accounting policies and methods of computation adopted in the preparation of the Interim Financial Report are consistent with those adopted and disclosed in the annual financial report of MQA for the period ended 31 December 2010.

Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

The comparative period was from 15 December 2009 to 30 June 2010 for MQA and 16 December 2009 to 30 June 2010 for the MARL Group. In addition, the period of ownership of the Groups' toll road investments commenced from the MIG demerger on 2 February 2010. Therefore, the results of the current period are not directly comparable to the results of the prior period.

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1 Summary of Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

Going concern and deficiency of net assets

The Interim Financial Reports have been prepared on a going concern basis. At 30 June 2011, MQA had a net current liability position of $6.4 million (31 December 2010: net current asset position of $6.6 million) and MARIL, the parent entity of the Group, had a net current liability position of $6.7 million (31 December 2010: net current asset position of $1.1 million). Included in net current liabilities of MQA and MARIL were current performance fees payable of $20.9 million and $18.7 million respectively. On 1 July 2011, as permitted under MARIL and MARL's advisory and management agreements with Macquarie Fund Advisers Pty Ltd ("the Adviser/Manager" or "MFA"), MFA and MQA's independent directors agreed that current performance fees payable at 30 June 2011 will be applied to a subscription for new MQA securities.

Included within MQA's non-current payables were performance fees of $37.6 million, of which $20.9 million may become payable at 30 June 2012 and $16.7 million at 30 June 2013 (subject to performance criteria continuing to be satisfied). Management forecasts indicate that MQA will be able to meet its liabilities as and when they become due and payable, including non-current performance fees which may become payable at 30 June 2012, assuming that MFA and MQA's independent directors agree that these fees be applied to a subscription for new MQA securities, as was agreed in relation to the 30 June 2011 performance fee payments. Where no such agreement is reached the Directors consider that other funding alternatives will be available to meet any resulting shortfall of available cash.

As at 30 June 2011 MQA also had a deficiency of capital and reserves of $287.9 million (31 December 2010: $225.3 million). This is primarily driven by M6 Toll related balances: its non-recourse liabilities of $2.0 billion exceeds the depreciated carrying value of its toll road related assets of $0.9 billion. These project related liabilities are non-recourse beyond the M6 Toll assets and MQA has no commitments to provide further debt or equity funding to the M6 Toll in order to meet these liabilities. Operating cash flows of the M6 Toll are expected to be sufficient to service the ongoing interest charges on the non-recourse loans.

(b) Consolidated accounts and stapling arrangements

AASB 3 Business Combinations and *AASB 127 Consolidated and Separate Financial Statements* require one of the stapled entities of a stapled structure to be identified as the parent entity for the purpose of preparing a consolidated Interim Financial Report. In accordance with this requirement, MARIL has been identified as the parent entity of the consolidated group comprising MARIL and its subsidiaries and MARL and its subsidiaries, together comprising MQA.

The financial statements of MQA should be read in conjunction with the separate consolidated financial statements of the MARL Group presented in this report for the half year ended 30 June 2011.

(c) Business combinations under common control

Business combinations under common control have been accounted for in the consolidated accounts prospectively from the date the Groups obtain the ownership interest. The transfer of MQA Investments Limited (formerly MIG Investments Limited) and its subsidiaries, which included Midland Expressway Limited ("MEL") (the concessionaire for the M6 Toll), was treated as a common controlled transaction on acquisition by MARIL prior to the demerger from MIG. The difference between the fair value of the consideration paid by MARIL and the amounts at which the assets and liabilities were recorded in the consolidated MQA financial statements, being at historical cost, was recognised directly in equity in the other reserve.

1 Summary of Significant Accounting Policies (continued)

(d) Principles of consolidation

The consolidated financial statements of MQA incorporate the assets and liabilities of the entities controlled by MARIL for the half year ended 30 June 2011, including those deemed to be controlled by MARIL by identifying it as the parent of MQA, and the results of those controlled entities for the half year then ended. The consolidated financial statements of the MARL Group incorporate the assets and liabilities of the entities controlled by MARL for the half year ended 30 June 2011. The effects of all transactions between entities in the consolidated entities are eliminated in full. Non-controlling interests in the results and equity are shown separately in the Statement of Comprehensive Income and the Statement of Financial Position. Non-controlling interests are those interests in partly owned subsidiaries which are not held directly or indirectly by MARL or MARIL.

Subsidiaries

Subsidiaries, other than those that MARIL has been deemed to have directly acquired through stapling arrangements, are those entities over which the Groups have the power to govern the financial and operating policies, generally accompanying a shareholding of more than fifty percent of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Groups control another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Groups. Where control of an entity is obtained during a financial period, its results are included in the Statement of Comprehensive Income from the date on which control commences. Where control of an entity ceases during a financial period, its results are included for that part of the period during which control existed and the subsidiary is de-consolidated from the date that control ceases.

Associates

Associates are entities over which the Groups have significant influence, but not control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. The Groups' investment in associates includes the fair value of goodwill (net of any accumulated impairment loss) identified on acquisition.

The Groups' share of their associates' post-acquisition profits or losses are recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates reduce the carrying amount of the investment.

When the Groups' share of losses in an associate equals or exceeds its interest in the associate, including any long term interests that, in substance, form part of the Groups' net investment in the associate, the Groups do not recognise further losses, unless they have incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Groups and their associates are eliminated to the extent of the Groups' interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Groups.

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1 Summary of Significant Accounting Policies (continued)

(e) Intangible assets - Tolling concessions

Tolling concessions are intangible assets and represent the right to levy tolls in respect of controlled motorways. Tolling concessions relating to the non-controlled investments are recognised as a component of the investments accounted for using the equity method.

Tolling concessions have a finite useful life by the terms of the concession arrangement and are carried at cost which represents fair value on acquisition less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost of tolling concessions over their estimated useful lives which are as follows:

Asset Description	Estimated Useful Life	Depreciation basis
M6 Toll	Period to January 2054	Straight line basis
Autoroutes Paris-Rhine-Rhône (“APRR”) *	Period to December 2032	Straight line basis
Indiana Toll Road *	Period to June 2081	Straight line basis
Chicago Skyway *	Period to January 2104	Straight line basis
Dulles Greenway *	Period to February 2056	Straight line basis
Warnow Tunnel *	Period to September 2053	Straight line basis

* The tolling concessions in relation to the non-controlled investments are not recognised on the Statement of Financial Position but instead form part of the investments accounted for using the equity method. The amortisation of tolling concessions in relation to the non-controlled investments is included in the share of net loss of investments accounted for using the equity method.

(f) Application of AASB Interpretation 12 Service Concession Arrangements

The Groups have applied *AASB Interpretation 12 Service Concession Arrangements* which provides guidance on the accounting by operators of public-to-private service concession arrangements under which private sector entities participate in the development, financing, operation and maintenance of infrastructure for the provision of public services. The assets of the Groups’ associates are used within the framework of concession arrangements granted by public sector entities. The M6 Toll concession agreement falls outside the scope of Interpretation 12 as the grantor does not control (or regulate) at what price the services are provided.

(g) Impairment of assets

The carrying amount of tolling concessions, non controlled investments, leasehold improvements and property, plant and equipment is assessed every reporting period to determine whether there are indications of any impairment of the carrying value. If that is the case, an impairment charge is taken against the carrying amount of the assets, if that is higher than the recoverable amount.

The recoverable amount of the asset is determined as the higher of the fair value less cost to sell and the value in use. If it is not possible to determine a recoverable amount for the individual assets, the assets are assessed together in the smallest group of assets which generate cash inflows that are largely independent of those from other assets or groups of assets.

(h) Interest bearing financial liabilities

Subsequent to initial recognition at fair value, net of transaction costs incurred, interest bearing financial liabilities are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method based on the lesser of the expected or contractual life.

(i) Performance fees

Performance fees recognised as a payable to the Adviser/Manager are accounted for as a financial liability in accordance with *AASB 139 Financial Instruments: Recognition and Measurement*. The financial liability is valued at its fair value upon initial recognition taking into account the performance of the MQA security price and the relevant benchmark.

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1 Summary of Significant Accounting Policies (continued)

(j) Derivative financial instruments

The Groups enter into interest rate swap agreements and forward foreign exchange contracts.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Groups designate certain derivatives as cash flow hedges.

The Groups document at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Groups also document their assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity in the cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expenses.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item will affect profit or loss (for instance when the forecast interest payment that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are reclassified from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified in profit or loss.

Derivatives that are not designated as hedges or do not qualify for hedge accounting

Certain derivative instruments are not designated as hedges or do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that are not designated as hedges or do not qualify for hedge accounting are recognised immediately in profit or loss.

Fair value estimation

The fair values of over-the-counter derivatives are determined using valuation techniques adopted by the directors with assumptions that are based on market conditions existing at each balance date. The fair values of interest rate swaps are calculated as the present values of the estimated future cash flows. The fair values of forward exchange contracts are determined using forward exchange market rates at the balance date.

(k) Critical Accounting Estimates and Judgements

The preparation of the Interim Financial Reports in accordance with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including reasonable expectations of future events. The directors believe the estimates used in the preparation of the Interim Financial Reports are reasonable. Actual results in the future may differ from those reported.

The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed on the next page:

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1 Summary of Significant Accounting Policies (continued)

(k) Critical Accounting Estimates and Judgements (continued)

Derivative financial instruments

The fair values of over-the-counter derivatives are determined using valuation techniques adopted by the directors with assumptions that are based on market conditions existing at each balance date. The fair values of interest rate swaps are calculated as the present values of the estimated future cash flows.

Income Tax

The Groups are subject to income taxes in Australia and jurisdictions where they have foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Groups recognise anticipated tax liabilities based on their current understanding of the tax law.

In addition, the Groups have recognised deferred tax assets relating to carried forward losses to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority against which the unused tax losses can be utilised. The utilisation of tax losses depends on the ability of the entity to satisfy certain tests at the time the losses are recouped.

Impairment testing

In accordance with the accounting policy stated in Note 1(g) the carrying amount of tolling concessions, non-controlled investments, leasehold improvements and property, plant and equipment is assessed every reporting period to determine whether there are indications of any impairment of the carrying value. If that is the case, an impairment charge is taken against the carrying amount of the assets, if that is higher than the recoverable amount. There are also judgements involved in assessing impairment indicators.

Performance fees

In accordance with the accounting policy stated in Note 1(i) the financial liability in relation to performance fees is calculated at fair value taking into account the performance of the MQA security price and the relevant benchmark. The future performance of both the MQA security price and the relevant benchmark are inherently uncertain and consequently there are judgements involved in determining the financial liability to be recognised.

(l) Accounting Standards and Interpretations issued

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period. The Groups' assessment of the impact of the relevant new standards and interpretations which have not been early adopted in preparing the Interim Financial Reports is set out below.

IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities and revised IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures (effective for annual reporting periods beginning on or after 1 January 2013)

In May 2011, the IASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures. The AASB is expected to issue equivalent Australian standards shortly. The standards applicable to the Groups are detailed below.

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 *Consolidated and Separate Financial Statements*, and SIC-12 *Consolidation – Special Purpose Entities*. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns before control is present. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. There is also new guidance on participating and protective rights and on agent/principal relationships. The Groups have assessed the new standard's impact and do not anticipate a significant impact on the Groups' investments.

IFRS 12 sets out the required disclosures for entities reporting under the two new standards, IFRS 10 and IFRS 11, and replaces the disclosure requirements currently found in IAS 28. While the Groups do not expect the new standard to affect any of the amounts recognised in the financial statements, it is anticipated that the Groups will be required to increase its disclosures of its Investments accounted for using the equity method.

1 Summary of Significant Accounting Policies (continued)

(l) Accounting Standards and Interpretations issued (continued)

IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities and revised IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures (effective for annual reporting periods beginning on or after 1 January 2013) (continued)

The Groups do not expect to early adopt these new standards and would therefore first adopt the new standards from 1 January 2013.

AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective for annual reporting periods beginning on or after 1 January 2013)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. The Groups have assessed the new standard's impact and do not anticipate a significant impact on the Groups' financial statements. The Groups do not expect to early adopt AASB 9 and would therefore first adopt the new standard from 1 January 2013.

IFRS 13 Fair Value Measurement (effective for annual reporting periods beginning on or after 1 January 2013)

IFRS 13 was released in May 2011 and the AASB is expected to issue an equivalent Australian standard shortly. IFRS 13 explains how to measure fair value and aims to enhance fair value disclosures. While the Groups do not expect the new standard to affect any of the amounts recognised in the financial statements, it is anticipated that the Groups will be required to increase its disclosures of its financial liabilities measured at fair value. The Groups do not intend to adopt the new standard before its operative date, which means that it would be first applied from 1 January 2013.

Revised IAS 1 Presentation of Financial Statements (effective for annual reporting periods beginning on or after 1 July 2012)

The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether they may be recycled to profit or loss in the future. It will not affect the measurement of any of the items recognised in the balance sheet or the profit or loss in the current period. The Groups have assessed the new standard's impact and do not anticipate a significant impact on the Groups' financial statements. The Groups do not expect to early adopt and would therefore first adopt the new standard from 1 January 2013.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (effective for annual reporting periods beginning on or after 1 July 2013)

In July 2011 the AASB decided to remove the individual key management personnel (KMP) disclosure requirements from *AASB 124 Related Party Disclosures*, to achieve consistency with the international equivalent standard and remove a duplication of the requirements with the *Corporations Act 2001*. While this will reduce the disclosures that are required in the annual financial statements, it will not affect any of the amounts recognised in the financial statements. The amendments apply from 1 July 2013 and cannot be adopted early. The *Corporations Act 2001* requirements in relation to remuneration reports will remain unchanged for now, but these requirements are currently subject to review and may also be revised in the near future. The Groups have assessed the new standard's impact and do not anticipate a significant impact on the Groups' financial statements. The Groups expect to adopt the new standard from 1 January 2014.

(m) Presentation of Financial Reports

The Interim Financial Reports for MARIL and MARL have been presented in this single document, pursuant to ASIC Class Order 05/642 as amended by Class Order 10/655.

(n) Rounding of Amounts

The Groups are of a kind referred to in Class Order 98/100, as amended by Class Order 04/667 and Class Order 05/641, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the Interim Financial Report. Amounts in the Interim Financial Reports have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

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2 Loss for the period

The loss from continuing operations before income tax includes the following specific items of revenue and expense:

(i) Revenue from continuing operations

	MQA Period to 30 Jun 2011 $'000	MQA Period to 30 Jun 2010 $'000	MARL Group Period to 30 Jun 2011 $'000	MARL Group Period to 30 Jun 2010 $'000
Revenue from continuing operations				
Toll revenue	**42,916**	42,464	**-**	-
Other revenue	**1,529**	2,145	**-**	-
Interest Income:				
Related parties	**124**	78	**733**	29
Other persons and corporations	**537**	3,411	**157**	430
Total Interest income	**661**	3,489	**890**	459
Total revenue from continuing operations	**45,106**	48,098	**890**	459

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2 Loss for the period (continued)

(ii) Operating expenses from continuing operations

	MQA Period to 30 Jun 2011 $'000	MQA Period to 30 Jun 2010 $'000	MARL Group Period to 30 Jun 2011 $'000	MARL Group Period to 30 Jun 2010 $'000
Operating expenses from continuing operations				
Finance costs:				
Interest expense:				
Other persons and corporations	**51,171**	49,868	**-**	-
Total finance Costs	**51,171**	49,868	**-**	-
Other operating expenses:				
Loss on derivative financial instruments	**280**	940	**-**	-
Amortisation of tolling concessions	**848**	560	**-**	-
Depreciation:				
Plant and machinery	**1,966**	1,764	**-**	-
Land and buildings	**360**	324	**-**	-
Toll road	**9,221**	8,164	**-**	-
	11,547	10,252	**-**	-
Cost of operations:				
Employment costs	**3,648**	3,246	**171**	186
Operating expenses	**2,576**	2,048	**-**	-
Operating lease rentals	**13,752**	13,911	**-**	-
	19,976	19,205	**171**	186
Other operating expenses:				
Consulting and administration fees	**562**	675	**138**	308
Manager's and Adviser's base fees	**8,169**	3,619	**835**	441
Manager's and Adviser's performance fees	**50,106**	4,159	**5,196**	465
Foreign exchange loss	**104**	1,823	**102**	12
Reversal of provision for impairment	**-**	-	**(260)**	-
Other expenses	**567**	881	**201**	212
	59,508	11,157	**6,212**	1,438
Total other operating expenses	**92,159**	42,114	**6,383**	1,624
Total operating expenses from continuing operations	**143,330**	91,982	**6,383**	1,624
Gain on deconsolidation *	**-**	54,018	**-**	-

* On 17 June 2010, MQA announced that an agreement had been reached by Eiffarie SAS ("Eiffarie") to acquire a further 13.73% interest in APRR from minority shareholders for €55.00 per APRR share. Eiffarie is a wholly owned subsidiary of Financiere Eiffarie SAS ("FE"). The total acquisition price was €853.7 million. MQA contributed a total of €155.0 million, funded from its existing cash reserves. As a consequence of this transaction, on 21 June 2010 MQA ceased to control Macquarie Autoroutes de France SAS ("MAF"), MAF Finance Sarl ("MAF Finance"), MARI SAS and MARE SAS and MQA recognised a gain on deconsolidation of subsidiaries of $54.0 million. Refer to Note 4 (b).

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3 Discontinued operations

Description

On 16 December 2010, MQA and the MARL Group ceased to control Transtoll Pty Limited ("Transtoll") and the financial performance and cash flow information relating to the discontinued operations are presented below:

Financial performance and cash flow information

The financial performance and cash flow information relating to the discontinued operations to the date of deconsolidation for the period ended 30 June 2010 are presented below. There were no discontinued operations for the half year ended 30 June 2011.

Consolidated	MQA Period to 30 Jun 2011 $'000	MQA Period to 30 Jun 2010 $'000	MARL Group Period to 30 Jun 2011 $'000	MARL Group Period to 30 Jun 2010 $'000
Financial performance				
Revenue	-	3,807	-	3,807
Expenses	-	(3,312)	-	(3,312)
Profit before income tax	-	495	-	495
Income tax	-	-		-
Profit after income tax of discontinued operations	-	495	-	495
Total profit from discontinued operations	-	495	-	495

Consolidated	MQA Period to 30 Jun 2011 $'000	MQA Period to 30 Jun 2010 $'000	MARL Group Period to 30 Jun 2011 $'000	MARL Group Period to 30 Jun 2010 $'000
Cash flow information				
Net cash flows from operating activities	-	398	-	398
Net cash flows from financing activities	-	305	-	305
Net increase in cash generated from discontinued operations	-	703	-	703

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4 Investments Accounted for using the Equity Method

	MQA	MQA	MARL Group	MARL Group
	As at 30 Jun 2011 $'000	As at 31 Dec 2010 $'000	**As at 30 Jun 2011 $'000**	As at 31 Dec 2010 $'000
Shares in associates – equity method	**923,558**	931,068	**53,657**	75,499
	923,558	931,068	**53,657**	75,499

Information relating to associates is set out below:

(a) Carrying amounts

Name of Entity	Country of incorporation	Principal Activity	Ownership Interest	MQA	MQA	MARL Group	MARL Group
			As at 30 Jun 2011 and as at 31 Dec 2010 %	**As at 30 Jun 2011 $'000**	As at 31 Dec 2010 $'000	**As at 30 Jun 2011 $'000**	As at 31 Dec 2010 $'000
Macquarie Autoroutes de France 2 SA	Luxembourg	Investment in toll road network located in the east of France (APRR)	**38.9**	**670,152**	636,446	**-**	-
Dulles Greenway Partnership*	USA	Investment in toll road located in northern Virginia, USA	**50.0**	**221,691**	243,608	**21,942**	24,485
Chicago Skyway Partnership	USA	Investment in toll road located south of Chicago, USA	**50.0**	**31,715**	51,014	**31,715**	51,014
Indiana Toll Road Partnership	USA	Investment in toll road located in northern Indiana, USA	**49.0**	**-**	-	**-**	-
Warnowquerung GmbH & Co KG ("WKG") (Limited Partnership)**	Germany	Investment in toll road located in Rostock, north-eastern Germany	**70.0**	**-**	-	**-**	-
				923,558	931,068	**53,657**	75,499

* The MARL Group holds a 6.7% equity interest in Toll Road Investors Partnership II LP ("TRIP II"), the concessionaire for Dulles Greenway, through its associate Dulles Greenway Partnership ("DGP"). Along with MARIL's interest bearing financial assets, MQA's estimated overall economic interest in TRIP II is 50%. Dulles Greenway Partnership holds a 100% interest in the General Partner, Shenandoah Greenway Corporation.

** A subsidiary of MARIL, European Transport Investments (UK) Limited ("ETIUK"), beneficially owns 70% of both the WKG Limited partnership and the General Partner ("GP") of the partnership which have contracted to build, own and operate a tolled tunnel in Rostock, Germany. Per the agreement any decision made in regard to the financial and operational policies requires 75% of the voting members to proceed. As a result MQA does not control WKG.

South Bay Expressway

On 23 March 2010, MQA announced that South Bay Expressway L.P. ("SBX") had filed for bankruptcy by making a voluntary petition for relief under Chapter 11 of the US Bankruptcy code. MQA owned 50% of SBX, which was transferred at zero value as part of the MIG restructure. On 29 April 2011, the Courts approved SBX's corporate reorganisation and MQA no longer has any equity interest in SBX.

4 Investments Accounted for using the Equity Method (continued)

(b) Movement in carrying amounts

	MQA	MQA	MARL Group	MARL Group
	Period to 30 Jun 2011 $'000	Period to 30 Jun 2010 $'000	**Period to 30 Jun 2011 $'000**	Period to 30 Jun 2010 $'000
Carrying amount at the beginning of the period	**931,068**	-	**75,499**	-
Associates acquired during MIG Demerger	**-**	1,336,183	**-**	157,912
Disposal of associates *	**-**	(663,781)	**-**	-
Associates acquired/equity invested *	**-**	646,537	**-**	-
Share of losses after income tax **	**(17,262)**	(242,635)	**(18,974)**	(75,291)
Foreign exchange movement	**9,752**	(43,693)	**(2,868)**	4,463
Carrying amount at the end of the period	**923,558**	1,032,611	**53,657**	87,084

* On 21 June 2010 MQA disposed of its interests in its associate Financiere Eiffarie SAS ("FE") and acquired additional interests in Macquarie Autoroutes de France 2 SA ("MAF2"). FE is an associate of MAF2. As a consequence, certain entities were deconsolidated on 21 June 2010 and a gain of $54.0 million recognised.

** Included in the share of losses after income tax for MQA and the MARL Group are fair value gains on interest rate swaps of $3.3 million (30 June 2010: fair value losses of $143.7 million) and fair value losses of $6.8 million (30 June 2010: fair value losses of $31.2 million) respectively for which hedge accounting has not been applied.

(c) Share of associates' profits or losses

Group's share of:

Revenue	**321,943**	690,162	**29,754**	26,323
Expenses	**(400,148)**	(1,054,136)	**(111,578)**	(235,174)
Loss before income tax	**(78,205)**	(363,974)	**(81,824)**	(208,851)
Income tax (expense)/benefit	**(3,845)**	(13,121)	**424**	403
Loss after income tax	**(82,050)**	(377,095)	**(81,400)**	(208,448)

(d) Share of associates assets and liabilities

Group's share of:

Assets	**6,345,784**	6,460,658	**1,487,051**	1,579,639
Liabilities	**(5,581,110)**	(5,630,140)	**(1,585,480)**	(1,600,599)
Net assets/(liabilities)	**764,674**	830,518	**(98,429)**	(20,960)

(e) Share of contingent liabilities of associates

As at 30 June 2011 and at 30 June 2010, there were no share of contingent liabilities incurred jointly with other investors and no contingent liabilities relating to liabilities of the associate for which MARIL and MARL are severally liable. Refer to Note 11 for details of contingent liabilities relating to associates.

(f) Share of associates' losses not brought to account

Carrying amount at the beginning of the period	**(115,265)**	-	**(112,450)**	-
Share of associates' losses not brought to account	**(64,788)**	(134,460)	**(62,426)**	(133,157)
Carrying amount at the end of the period	**(180,053)**	(134,460)	**(174,876)**	(133,157)

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5 Payables

Consolidated	Note	MQA As at 30 Jun 2011 $'000	MQA As at 31 Dec 2010 $'000	MARL Group As at 30 Jun 2011 $'000	MARL Group As at 31 Dec 2010 $'000
Current					
VAT payable		**3,252**	4,141	**-**	-
Manager and Adviser fees payable		**3,983**	3,429	**445**	399
Manager and Adviser performance fees payable	(i)	**20,861**	4,158	**2,186**	445
Lease payable	(ii)	**15,195**	15,466	**-**	-
Sundry creditors and accruals		**6,985**	7,334	**295**	424
		50,276	34,528	**2,926**	1,268
Non-current					
Manager and Adviser performance fees payable	(i)	**37,563**	4,158	**3,900**	445
Lease payable	(ii)	**159,033**	147,879	**-**	-
		196,596	152,037	**3,900**	445

(i) Manager and Adviser Performance fees payable

In accordance with MARIL and MARL's advisory and management agreements (the "Agreements") with MFA, MFA is entitled to a performance fee each year ended 30 June. The performance fee is calculated with reference to the performance of the MQA accumulated index compared with the performance of the S&P/ASX 300 Industrials Accumulation Index. The performance fees are payable in three equal annual instalments provided MQA meets certain performance criteria at each instalment date.

For the year ended 30 June 2011, a total performance fee of $50.1 million (excluding GST) was calculated for MQA. The first instalment of $16.7 million is payable at 30 June 2011. The second and third instalments of $16.7 million each will become payable should the performance criteria be met at 30 June 2012 and 30 June 2013 respectively.

For the period ended 30 June 2010, a total performance fee of $12.5 million (excluding GST) was calculated for MQA. The first instalment of $4.2 million was paid in July 2010. The second instalment of $4.2 million is payable at 30 June 2011. The third instalment of $4.2 million will become payable should the performance criteria be met at 30 June 2012.

Current Manager and Adviser performance fees payable
Current Manager and Adviser performance fees payable of $20.9 million at 30 June 2011 comprises the first instalment of the June 2011 fee of $16.7 million and the second instalment of the June 2010 fee of $4.2 million. On 1 July 2011, as permitted under the Agreements, MFA and MQA's independent directors agreed that these fees will be applied to a subscription of new MQA securities.

Non-current Manager and Adviser performance fees payable
Non-current Manager and Adviser performance fees payable of $37.6 million comprises the second and third instalments of the June 2011 fee of $16.7 million each and the third instalment of the June 2010 fee of $4.2 million.

(ii) Lease payable

The current and non-current lease payables are in relation to land leased by Midland Expressway Limited ("MEL"), the concessionaire for the M6 Toll, from the Highways Agency in the UK.

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6 Interest Bearing Financial Liabilities

	Note	MQA As at 30 Jun 2011 $'000	MQA As at 31 Dec 2010 $'000	MARL Group As at 30 Jun 2011 $'000	MARL Group As at 31 Dec 2010 $'000
Current					
Non-recourse loans	(i)	**63**	-	**-**	-
		63	-	**-**	-
Non-current					
Non-recourse loans	(i)	**1,522,366**	1,549,111	**-**	-
Accrued interest rate swap liability	(ii)	**193,846**	176,945	**-**	-
		1,716,212	1,726,056	**-**	-
The maturity profile of the above interest bearing financial liabilities is:					
Due within one year		**63**	-	**-**	-
Due between one and five years		**1,522,366**	1,549,111	**-**	-
Due after five years		**193,846**	176,945	**-**	-
		1,716,275	1,726,056	**-**	-

(i) Non-recourse Loans

The MQA consolidated financial statements incorporate interest bearing financial liabilities raised by controlled project entities to finance the construction of infrastructure assets. These project-related liabilities are non-recourse beyond the M6 Toll assets and MQA has no commitments to provide further debt or equity funding to the M6 Toll in order to meet these liabilities.

The non-recourse loans represent debt facilities of £1.03 billion ($1.5 billion) (31 December 2010: £1.03 billion ($1.5 billion) of Macquarie Motorway Group Limited ("MMG"), a subsidiary of MQA, which relate to the M6 Toll.

The facilities are due for repayment in August 2015, with a cash sweep of £0.04 million ($0.06 million) commencing in 2012 and included in the current non-recourse loan balance. The facilities comprise a £1.00 billion ($1.5 billion) (31 December 2010: £1.00 billion ($1.5 billion)) term loan and a £30 million ($44.9 million) (31 December 2010: £30.0 million ($45.7 million)) capital expenditure facility. Interest on the drawn facilities is charged at a margin over the London Inter Bank Offer Rate ("LIBOR"). At 30 June 2011 the interest rate was 2.25% (31 December 2010: 2.22%).

At 30 June 2011, the term loan was fully drawn down and £9.14 million ($13.7 million) (31 December 2010: £8.86 million ($13.5 million) of the capital expenditure facility had been utilised. The facilities have certain covenants attached and are secured by way of a debentures over MEL's assets.

Interest rate hedging has been put in place in relation to 100% of the face value of the term loan and future refinancing to 2036. Interest expense on the term loan is calculated by applying the effective fixed interest rate of 5.67% (31 December 2010: 5.67%).

The MARL Group has no interest bearing liabilities.

(ii) Accrued Interest Rate Swap Liability

The swap liability represents a separate element associated with the MMG 30 year interest rate hedge. This reflects the low rates of fixed payments currently being paid under the swap contracts being less than the effective swap rate over the term of the swap. As at 30 June 2011, this element incurs fixed interest at 7.12% (31 December 2010: 7.12%) per annum.

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7 Contributed Equity

	Attributable to MARIL equity holders	Attributable to MARIL equity holders	**Attributable to MARL equity holders**	Attributable to MARL equity holders
	As at 30 Jun 2011 $'000	As at 31 Dec 2010 $'000	**As at 30 Jun 2011 $'000**	As at 31 Dec 2010 $'000
Ordinary shares	**1,316,674**	1,316,674	**194,640**	194,640
Contributed equity	**1,316,674**	1,316,674	**194,640**	194,640

	Attributable to MARIL equity holders	Attributable to MARIL equity holders	**Attributable to MARL equity holders**	Attributable to MARL equity holders
	Period to 30 Jun 2011 $'000	Period to 31 Dec 2010 $'000	**Period to 30 Jun 2011 $'000**	Period to 31 Dec 2010 $'000
On issue at the beginning of the period *	**1,316,674**	-	**194,640**	-
Issued shares on the demerger from MIG**	**-**	1,316,674	**-**	194,640
On issue at the end of the period	**1,316,674**	1,316,674	**194,640**	194,640
	Number of shares '000	Number of shares '000	**Number of shares '000**	Number of shares '000
On issue at the beginning of the period *	**452,346**	-	**452,346**	-
Issued shares on the demerger from MIG**	**-**	452,346	**-**	452,346
On issue at the end of the period	**452,346**	452,346	**452,346**	452,346

* Prior to stapling, MARIL issued 2 ordinary shares for $2 on 15 December 2009 and MARL issued 2 ordinary shares for $2 on 16 December 2009.

** For the period ended 31 December 2010, consideration for MARIL's issue of securities comprised cash of $126.8 million and interests in subsidiaries, which included cash held by those subsidiaries of $139.1 million. For the period ended 31 December 2010, consideration for MARL's issue of shares comprised cash of $24.9 million and interests in subsidiaries, which included cash held by those subsidiaries of $1.2 million.

8 Reserves

	Attributable to MARIL equity holders As at 30 Jun 2011 $'000	Attributable to MARIL equity holders As at 31 Dec 2010 $'000	Attributable to MARL equity holders As at 30 Jun 2011 $'000	Attributable to MARL equity holders As at 31 Dec 2010 $'000
Balance of reserves				
Hedging reserve - cash flow hedges (net of tax)	**(126,299)**	(139,057)	**-**	-
Foreign currency translation reserve	**150,763**	116,690	**(14,816)**	(11,772)
Other reserve	**(1,559,979)**	(1,559,979)	**-**	-
	(1,535,515)	(1,582,346)	**(14,816)**	(11,772)

	Attributable to MARIL equity holders Period to 30 Jun 2011 $'000	Attributable to MARIL equity holders Period to 31 Dec 2010 $'000	Attributable to MARL equity holders Period to 30 Jun 2011 $'000	Attributable to MARL equity holders Period to 31 Dec 2010 $'000
Movements of reserves				
Hedging reserve – cash flow hedges (net of tax)				
Balance at the beginning of the period	**(139,057)**	-	**-**	-
Demerger of MIG	**-**	(95,178)	**-**	-
Revaluation (gross) on interest rate swap contracts	**12,758**	(43,879)	**-**	-
Balance at the end of the period	**(126,299)**	(139,057)	-	-
Foreign currency translation reserve				
Balance at the beginning of the period	**116,690**	-	**(11,772)**	-
Net exchange differences on translation of foreign controlled entities	**34,073**	104,621	**(3,044)**	(11,772)
Deconsolidation of subsidiaries	**-**	12,069	**-**	-
Balance at the end of the period	**150,763**	116,690	**(14,816)**	(11,772)
Other reserve *				
Balance at the beginning of the period	**(1,559,979)**	-	**-**	-
Demerger of MIG	**-**	(1,559,979)	**-**	-
Balance at the end of the period	**(1,559,979)**	(1,559,979)	**-**	-

* On the demerger from MIG, a reserve was recognised representing the difference between the fair value of securities issued and the historical carrying values of the interests in the assets acquired. Refer to Note 1 (c) Business combinations under common control..

9 Accumulated losses

	Attributable to MARIL equity holders Period to 30 Jun 2011 $'000	Attributable to MARIL equity holders Period to 31 Dec 2010 $'000	Attributable to MARL equity holders Period to 30 Jun 2011 $'000	Attributable to MARL equity holders Period to 31 Dec 2010 $'000
Balance at the beginning of the period	(68,285)	-	(74,203)	-
Loss attributable to shareholders	**(81,999)**	(68,285)	**(24,355)**	(74,203)
Balance at the end of the period	**(150,284)**	(68,285)	**(98,558)**	(74,203)

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10 Segment Information

(a) Description of Segments

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker, being the MARIL and MARL Board of Directors ("MQA Boards").

The MQA Boards consider the business from the aspect of each of the toll road portfolio assets and has identified six and three operating segments for MQA and the MARL Group respectively. The segments of MQA are the investments in M6 Toll, APRR, Warnow Tunnel, Indiana Toll Road, Chicago Skyway and Dulles Greenway. The segments of the MARL Group are the investments in Indiana Toll Road, Chicago Skyway and Dulles Greenway.

The operating segment note discloses the segment revenue and segment EBITDA for the half year ended 30 June 2011 and segment assets at 30 June 2011 by individual portfolio asset. The MQA Boards are provided with performance information on each asset, in their capacity as chief operating decision maker, to monitor the operating performance of each asset.

Transtoll Pty Ltd ("Transtoll") was a discontinued operation from 16 December 2010 (refer to Note 3).

(b) Segment Information Provided to the MQA Boards

The segment information provided to the MQA Boards for the reportable segments for the half year ended 30 June 2011, based on MQA's effective ownership interest is as follows:

MQA	Indiana Toll Road Period to 30 Jun 2011 $'000	Chicago Skyway Period to 30 Jun 2011 $'000	Dulles Greenway Period to 30 Jun 2011 $'000	M6 Toll Period to 30 Jun 2011 $'000	APRR Period to 30 Jun 2011 $'000	Warnow Tunnel Period to 30 Jun 2011 $'000	Total MQA Continuing Operations Period to 30 Jun 2011 $'000
Segment Result							
Segment Revenue	20,421	6,785	15,828	44,445	252,343	3,916	**343,738**
Segment Expenses	(4,146)	(944)	(4,873)	(5,912)	(78,615)	(1,258)	**(95,748)**
Segment EBITDA	16,275	5,841	10,955	38,533	173,728	2,658	**247,990**
EBITDA Margin	80%	86%	69%	87%	69%	68%	**72%**
	As at 30 Jun 2011 $'000	**As at 30 Jun 2011 $'000**	**As at 30 Jun 2011 $'000**	**As at 30 Jun 2011 $'000**	**As at 30 Jun 2011 $'000**	**As at 30 Jun 2011 $'000**	**As at 30 Jun 2011 $'000**
Segment assets	897,602	490,668	811,668	855,697	3,983,287	162,559	**7,201,481**

The segment result provided to the MQA Boards for the reportable segments for the 5 months ended 30 June 2010 and the segment assets at 31 December 2010, based on MQA's effective ownership interest is as follows:

MQA	Indiana Toll Road Period to 30 Jun 2010 $'000	Chicago Skyway Period to 30 Jun 2010 $'000	Dulles Greenway Period to 30 Jun 2010 $'000	M6 Toll Period to 30 Jun 2010 $'000	APRR Period to 30 Jun 2010 $'000	Warnow Tunnel Period to 30 Jun 2010 $'000	Total MQA Continuing operations Period to 30 Jun 2010 $'000
Segment Result							
Segment Revenue	18,417	6,056	14,734	42,464	238,745	3,212	**323,628**
Segment Expenses	(3,973)	(941)	(4,474)	(5,166)	(76,515)	(1,140)	**(92,209)**
Segment EBITDA	14,444	5,115	10,260	37,298	162,230	2,072	**231,419**
EBITDA Margin	78%	84%	70%	88%	68%	65%	**72%**
	As at 31 Dec 2010 $'000	**As at 31 Dec 2010 $'000**	**As at 31 Dec 2010 $'000**	**As at 31 Dec 2010 $'000**	**As at 31 Dec 2010 $'000**	**As at 31 Dec 2010 $'000**	As at 31 Dec 2010 $'000
Segment assets	976,487	515,943	867,668	889,802	3,941,838	158,722	**7,350,460**

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10 Segment Information (continued)

(b) Segment Information provided to the MQA Boards (continued)

The segment information provided to the MQA Boards for the reportable segments for the half year ended 30 June 2011, based on the MARL Group's effective ownership interest is as follows:

MARL Group	Indiana Toll Road Period to 30 Jun 2011 $'000	Chicago Skyway Period to 30 Jun 2011 $'000	Dulles Greenway Period to 30 Jun 2011 $'000	**Total MARL Group Continuing Operations Period to 30 Jun 2011 $'000**
Segment Result				
Segment Revenue	20,421	6,785	2,121	**29,327**
Segment Expenses	(4,146)	(944)	(653)	**(5,743)**
Segment EBITDA	16,275	5,841	1,468	**23,584**
EBITDA Margin	80%	86%	69%	**80%**
	As at 30 Jun 2011 $'000	**As at 30 Jun 2011 $'000**	**As at 30 Jun 2011 $'000**	**As at 30 Jun 2011 $'000**
Segment assets	897,602	490,668	98,781	**1,487,051**

The segment result provided to the MQA Boards for the reportable segments for the 5 months 30 June 2010 and the segment assets at 31 December 2010, based on the MARL Group's effective ownership interest is as follows:

MARL Group	Indiana Toll Road Period to 30 Jun 2010 $'000	Chicago Skyway Period to 30 Jun 2010 $'000	Dulles Greenway Period to 30 Jun 2010 $'000	**Total MARL Group Continuing Operations Period to 30 Jun 2010 $'000**
Segment Result				
Segment Revenue	18,417	6,056	1,974	**26,447**
Segment Expenses	(3,973)	(941)	(600)	**(5,514)**
Segment EBITDA	14,444	5,115	1,374	**20,933**
EBITDA Margin	78%	84%	70%	**79%**
	As at 31 Dec 2010 $'000	**As at 31 Dec 2010 $'000**	**As at 31 Dec 2010 $'000**	**As at 31 Dec 2010 $'000**
Segment assets	976,487	515,943	87,209	**1,579,639**

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10 Segment Information (continued)

(b) Segment Information Provided to the MQA Boards (continued)

A reconciliation of MQA and the MARL Group's segment revenue and EBITDA to its total revenue and loss from continuing activities before income tax, and of segment assets to total assets is provided as follows:

	MQA	MQA	**MARL Group**	MARL Group
	Period to 30 Jun 2011 $'000	Period to 30 Jun 2010 $'000	**Period to 30 Jun 2011 $'000**	Period to 30 Jun 2010 $'000
Reconciliation of Segment Revenue to MQA Revenue				
Segment Revenue	**343,738**	323,628	**29,327**	26,447
Revenue attributable to investments accounted for under the equity method*	**(299,293)**	(281,164)	**(29,327)**	(26,447)
Unallocated revenue	**661**	5,634	**890**	459
Total revenue from continuing operations	**45,106**	48,098	**890**	459
Reconciliation of Segment EBITDA to Loss Before Income Tax Benefit				
Segment EBITDA	**247,990**	231,419	**23,584**	20,933
EBITDA attributable to investments accounted for under the equity method *	**(209,457)**	(194,121)	**(23,584)**	(20,933)
Operating expenses from consolidated toll road assets	**(78,051)**	(76,855)	**-**	-
Unallocated revenue	**661**	5,634	**890**	459
Unallocated expenses	**(59,367)**	(9,961)	**(6,383)**	(1,624)
Share of net loss of investments accounted for using the equity method	**(17,262)**	(242,635)	**(18,974)**	(75,291)
Gain on deconsolidation of subsidiaries	**-**	54,018	**-**	-
Loss from continuing operations before income tax benefit	**(115,486)**	(232,501)	**(24,467)**	(76,456)

	MQA	MQA	**MARL Group**	MARL Group
	As at 30 Jun 2011 $'000	As at 31 Dec 2010 $'000	**As at 30 Jun 2011 $'000**	As at 31 Dec 2010 $'000
Reconciliation of Segment Assets to MQA Total Assets				
Segment assets	**7,201,481**	7,350,460	**1,487,051**	1,579,639
Other cash assets	**29,445**	23,102	**7,023**	7,015
Other assets	**6,837**	7,998	**27,412**	27,864
Liabilities included in investments accounted for using the equity method	**(5,422,226)**	(5,529,592)	**(1,433,394)**	(1,504,140)
Total assets	**1,815,537**	1,851,968	**88,092**	110,378

* Revenue and EBITDA attributable to investments accounted for under the equity method is included within the "Share of net losses of investments accounted for using the equity method" line in the Statements of Comprehensive Income. Proportionate revenue and EBITDA relating to investments accounted for under the equity method is included in the information reported to the MQA Boards.

11 Contingent Liabilities and Commitments

MQA had the following contingent liabilities and commitments at balance date. No provisions have been raised against these items unless stated below.

Contingent Liabilities

Warnow Tunnel

European Transport Investments (UK) Limited ("ETI"), a subsidiary of MARIL, has made two separate guarantees, totalling €1.2 million ($1.6 million) (31 December 2010: €1.2 million ($1.6 million)), in the event of a senior debt payment event of default by Warnowquerung GmbH & Co. KG, the owner of the Rostock Fixed Crossing Concession. The Group believes it is unlikely to have to make these contributions.

This contingent commitment is backed by an on-demand guarantee, provided through a blocked account into which €1.2 million ($1.6 million) (31 December 2010: €1.2 million ($1.6 million)) has been deposited. These funds are restricted and are not accessible.

South Bay Expressway

Macquarie Infrastructure US Pty Limited, a subsidiary of MARIL has provided letters of credit totalling US$2.5 million ($2.3 million) (31 December 2010: US$2.5 million ($2.4 million)) to several agencies which have granted environmental permits for the construction of SBX. The Group believes it unlikely that there has been or will be any violation of the relevant environmental requirements which would require the letters of credit to be drawn.

The letters of credit are backed by an on-demand guarantee, provided through a secured cash deposit of US$2.5 million ($2.3 million) (31 December 2010: US$2.5 million ($2.4 million)).

Macquarie Autoroutes de France SAS ("MAF")

The French Tax Authority ("FTA") is undertaking an audit of Macquarie Autoroutes de France SAS ("MAF"), a subsidiary of Macquarie Autoroutes de France 2 SA ("MAF 2"), an associate of MQA, through which MQA holds its interest in APRR. The FTA issued a proposed notice of re-assessment to MAF seeking additional taxes with respect to dividend payments made to the former shareholders of MAF. At 30 June 2011 no liability has been recognised by MQA on the basis that MAF is expected to defend the claims successfully without material adverse re-assessment or costs.

Commitments

M6 Toll

As part of the debt refinancing of the M6 Toll in August 2006, Macquarie European Infrastructure Limited, a subsidiary of MARIL undertook to procure that MEL shall contribute up to a maximum of £70.0 million ($104.7 million) (31 December 2010: £70.0 million ($124.3 million)) towards a road enhancement project which would provide a link to the M6 Toll. This commitment amount is indexed according to the Road and Construction Tender Index from May 2006. As this contribution is conditional upon the project being undertaken at a future date, no provisions are believed to be necessary in the financial statements at 30 June 2011.

12 Events Occurring After Balance Sheet Date

On 1 July 2011, as permitted under MARIL and MARL's advisory and management agreements with MFA, MFA and MQA's independent directors agreed that the Manager and Adviser performance fees payable at 30 June 2011 of $20.9 million will be applied to a subscription for new MQA securities. Accordingly a total of 11,933,687 MQA securities will be issued to MFA or its assignee. These securities have not yet been issued at the date of this report.

Since balance date, there are no other matters or circumstances not otherwise dealt with in the Interim Financial Report that has significantly affected or may significantly affect the operations of the Groups, the results of those operations or the state of affairs of the Groups in periods subsequent to the half year ended 30 June 2011.

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for the half year ended 30 June 2011

Directors' Declaration – Macquarie Atlas Roads International Limited

The directors of Macquarie Atlas Roads International Limited ("MARIL") declare that the Interim Financial Report of MARIL and its controlled entities ("MQA") and notes set out on pages 8 to 33:

a) comply with Accounting Standards and other mandatory professional reporting requirements;

b) give a true and fair view of the Consolidated Statement of Financial Position of MQA as at 30 June 2011 and of its performance for the half year ended on that date;

c) there are reasonable grounds to believe that MARIL will be able to pay its debts as and when they become due and payable; and

d) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.

Jeffrey Conyers
Chairman
Macquarie Atlas Roads International Limited
Pembroke, Bermuda
28 August 2011

Derek Stapley
Director
Macquarie Atlas Roads International Limited
Pembroke, Bermuda
28 August 2011

Interim Financial Report
for the half year ended 30 June 2011

Directors' Declaration – Macquarie Atlas Roads Limited

The directors of Macquarie Atlas Roads Limited ("MARL") declare that the Interim Financial Report of MARL and its controlled entities (the "MARL Group") and notes set out on pages 8 to 33 are in accordance with the constitution of MARL and the *Corporations Act 2001*, including:

a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

b) giving a true and fair view of the Consolidated Statement of Financial Position of the MARL Group as at 30 June 2011 and of its performance for the half year ended as on that date;

c) there are reasonable grounds to believe that MARL will be able to pay its debts as and when they become due and payable; and

d) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.

David Walsh
Chairman
Macquarie Atlas Roads Limited
Sydney, Australia
29 August 2011

Richard England
Director
Macquarie Atlas Roads Limited
Sydney, Australia
29 August 2011

Independent Auditor's review report to the security holders of Macquarie Atlas Roads International Limited and Macquarie Atlas Roads Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial reports of Macquarie Atlas Roads International Limited and Macquarie Atlas Roads Limited, which comprise the consolidated statements of financial position as at 30 June 2011 and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the period ended on that date, other selected explanatory notes and the directors' declarations for Macquarie Atlas Roads and Macquarie Atlas Roads Limited Group. Macquarie Atlas Roads comprises Macquarie Atlas Roads International Limited and the entities it controlled during the period, and Macquarie Atlas Roads Limited and the entities it controlled during the period. Macquarie Atlas Roads Limited Group comprises of Macquarie Atlas Roads Limited and the entities it controlled during the period.

Directors' responsibility for the half-year financial reports

The directors of Macquarie Atlas Roads International Limited and Macquarie Atlas Roads Limited are responsible for the preparation and fair presentation of the half-year financial reports in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act* 2001 (as applicable) and for such control as the directors determine is necessary to enable the preparation of the half-year financial reports that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial reports based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial reports are not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Macquarie Atlas Roads' and Macquarie Atlas Roads Limited Group's financial positions as at 30 June 2011 and their performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* (as applicable). As the auditor of Macquarie Atlas Roads International Limited and Macquarie Atlas Roads Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the half-year financial report to determine whether it contains any material inconsistencies with the half-year financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial reports of Macquarie Atlas Roads International Limited and Macquarie Atlas Roads Limited are not in accordance with the *Corporations Act 2001* (as applicable) including:

(a) giving a true and fair view of Macquarie Atlas Roads' and Macquarie Atlas Roads Limited Group's financial positions as at 30 June 2011 and of their performance for the period ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001* (as applicable).

PricewaterhouseCoopers

PricewaterhouseCoopers

Wayne Andrews

Wayne Andrews
Partner

Sydney
29 August 2011