

## APPENDIX 4D

### Half Year Report

Name of entity: **Macquarie Atlas Roads (“MQA”)**

#### 1. Details of the reporting period

Current Period: 1 January 2012 – 30 June 2012

Previous Corresponding Period: 1 January 2011 – 30 June 2011

#### 2. Results for announcement to the market

				<b>\$A'000</b>
2.1 Revenue from continuing operations	Down	4.5%	to	43,079
2.2 Loss from continuing operations after tax for the period	Down (Reduction in loss)	29.3%	to	(75,177)
Loss after tax for the period	Down (Reduction in loss)	29.3%	to	(75,177)
2.3 Loss for the period attributable to MQA stapled security holders	Down (Reduction in loss)	29.3%	to	(75,177)

MQA's statutory loss for the period of \$75.2 million (June 2011: \$106.4 million) includes consolidated M6 Toll losses of \$33.7 million (June 2011: \$30.5 million) and MQA's share of net losses of investments accounted for using the equity method of \$33.4 million (June 2011: \$17.3 million). The latter includes fair value losses on interest rate swaps of \$14.4 million (June 2011: fair value gains of \$3.3 million). Such movements in fair value are recognised in MQA's profit or loss for the half year regardless as to whether the non-controlled asset accounts for these instruments as effective cash flow hedges and recognises these movements through its reserves. This can result in significant volatility in MQA's results in a given period as market expectations of interest rates fluctuate.

MQA consolidates the wholly owned M6 Toll's assets, non-recourse liabilities, income and expense items into its statutory financial statements. MQA's balance sheet shows a net liability position of \$919.4 million (31 December 2011: \$821.3 million) as at 30 June 2012. This is primarily driven by M6 Toll related balances: its non-recourse liabilities of \$2.5 billion exceed the depreciated carrying value of its toll road related assets of \$0.8 billion.

Neither the statutory loss for the period, nor the net liability position reflect any solvency issues in MQA or impact on MQA's operating performance or cash flows.

The results from continuing activities after tax for the period represent MQA's statutory result. MQA also separately provides supplementary information including its proportionate results from its portfolio of toll road assets. On a like for like basis, proportionate revenue increased by 1.4% to \$330.8 million, proportionate EBITDA increased by 3.5% to \$244.8 million and proportionate earnings from road assets decreased by 9.3% to \$69.5 million. Proportionate earnings information represents the aggregation of the financial results of MQA's assets in proportion to its beneficial ownership interests. For a reconciliation of the statutory result to the proportionate result please refer to MQA's Management Information Report.

2.4 Dividends (distributions)	Amount per security	Franked amount per security
<i>Current Period:</i>		
Final dividend / distribution	Nil	Nil
Interim dividend / distribution	Nil	Nil
<i>Previous Corresponding Period:</i>		
Final dividend / distribution	Nil	Nil
Interim dividend / distribution	Nil	Nil
2.5 Record date for determining entitlements to the dividend / distribution	N/A	

2.6 Provide a brief explanation of any of the figures reported above necessary to enable the figures to be understood:

The results of MQA for the half year ended 30 June 2012 was a loss from continuing activities after tax for the period of \$75.2 million (June 2011: \$106.4 million) all of which was attributable to MQA stapled security holders. The decrease in the loss for the period reflects the following significant movements:

- Other operating costs of \$41.9 million (2011: \$92.2 million) have decreased mainly due to no new performance fees being payable in respect of the 12 months ended 30 June 2012. For the 12 months ended 30 June 2011, a total performance fee of \$50.1 million (excluding GST) was determined and recognised by MQA.
- Share of net losses of investments accounted for using the equity method have increased to \$33.4 million (2011: \$17.3 million). MQA's share of net losses comprises the following: Autoroutes Paris-Rhine-Rhône (APRR) loss of \$26.0 million (2011: profit of \$11.0 million), Dulles Greenway loss of \$7.4 million (2011: loss of \$10.8 million), Chicago Skyway \$nil (2011: loss of \$17.5 million). The increase primarily reflects the following:
  - (i) The results include fair value losses on interest rate swaps of \$14.4 million for the half year ended 30 June 2012 compared to fair value gains of \$3.3 million in the half year ended 30 June 2011;
  - (ii) The results include an additional \$12.1 million amortisation of the difference between the book value and the fair value of the Eiffarie SAS debt at the time of MQA's demerger from Macquarie Infrastructure Group. On refinancing of the debt in February 2012 the full remaining unamortised difference was brought to account; and
  - (iii) No further losses have been brought to account with regard to Chicago Skyway (2011: loss of \$17.5 million) because the carrying value of this asset has been reduced to nil.

For further explanation of the results please refer to the accompanying announcement, including the Interim Financial Report for the half year ended 30 June 2012.

### 3. Net asset backing per stapled security

	Current period (As at 30 June 2012)	Previous corresponding Period (As at 30 June 2011)
Net tangible assets per stapled security *	(\$2.08)	(\$0.70)

\* Under the listing rules net tangible assets backing must be determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary securities (i.e., all liabilities, preference shares, outside equity interests etc). The net tangible asset backing does not reflect the fair value of MQA's portfolio of assets.

### 4. Control gained or lost over entities during the period

4.1 Name of entity (or group of entities) over which control was gained	None
4.2 Date control was gained	N/A
4.3 Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	N/A
4.4 Name of entity (or group of entities) over which control was lost	European Transport Investments Pty Ltd (ETI) M635 Pty Ltd (M635) Macquarie Infrastructure Netherlands Tollroads BV (MINT)
4.5 Date control was lost	5 April 2012 for ETI and M635. 26 June 2012 for MINT.
4.6 Consolidated profit (loss) from continuing activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	N/A – dormant entities
4.4 Profit (loss) from continuing activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the previous corresponding period	N/A – dormant entities

### 5. Details of dividends/distributions

No dividends were paid or proposed during the period.

### 6. Details of dividend/distribution reinvestment plan

There was no dividend reinvestment plan in operation during the period.

## 7. Details of associates and joint venture entities

	Current period (As at 30 June 2012)	Previous corresponding Period (As at 30 June 2011)
<b>Name of associate</b>	<b>MQA's ownership interest (%)</b>	
Macquarie Autoroutes de France 2 SA	38.9	38.9
Dulles Greenway Partnership*	50.0	50.0
Chicago Skyway Partnership	50.0	50.0
Indiana Toll Road Partnership	49.0	49.0
Warnowquerung GmbH & Co. KG (WKG) (limited partnership)**	70.0	70.0
Warnowquerung Verwaltungsgesellschaft mbH**	70.0	70.0

\* The Macquarie Atlas Roads Limited (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 Macquarie Atlas Roads International Limited's (MARIL) 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 partnership and the General Partner (GP) of the partnership which have contracted to build, own and operate a tolled tunnel in Rostock, Germany. The agreement is structured such that 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.

## 8. Details of Controlled Entities

<b>Name of subsidiary</b>	
- Macquarie Green Bermudian Holdings Ltd	- MIBL Finance Luxembourg Sarl
- MQA Holdings Ltd	- Macquarie Infrastructure US Pty Ltd
- MQA Investments Ltd	- Macquarie 125 Holdings Inc
- Tollway Holdings Ltd	- Macquarie Infrastructure Australia Pty Ltd
- Macquarie Motorways Group Ltd	- MQA Holdings 2 (US) LLC
- Midland Expressway Ltd	- MQA Investments Australia Pty Ltd
- Macquarie Infrastructure (UK) Ltd	- MQA Indiana Holdings LLC
- European Transport Investments (UK) Ltd	- MQA Holdings (US) LLC
- Macquarie UK Projects Ltd	- MIT (II) Holdings Pty Ltd
- Macquarie Midland Holdings Ltd	- Macquarie Infrastructure Netherlands Investments Cooperatief UA
- Tipperhurst Ltd	
- Macquarie Autoroute International Sarl	

## 9. Accounting standards used by foreign entities

All foreign entities have been adjusted to conform with Australian Accounting Standards where necessary.

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

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

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

## 11. Qualification of audit / review

N/A as there is no audit dispute or qualification. Refer attached Interim Financial Report for the review report.