MACQUARIE ATLAS ROADS

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2012

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 2012

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), MARL and MARIL together with their officers and directors may hold stapled securities in MQA from time to time.

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for the half year ended 30 June 2012

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Directors' Report
for the half year ended 30 June 2012

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 for the half year ended 30 June 2012. *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 2012.

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
- Marc de Cure

Dividends

No dividend was paid or declared by MARIL or MARL for the half year ended 30 June 2012.

Directors' Report
for the half year ended 30 June 2012

Review and Results of Operations

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

	MQA	MQA	**MARL Group**	MARL Group
	Half year ended 30 Jun 2012 $'000	Half year ended 30 Jun 2011 $'000	**Half year ended 30 Jun 2012 $'000**	Half year ended 30 Jun 2011 $'000
Revenue and other income from continuing operations	**43,079**	45,106	**906**	890
Loss for the half year	**(75,177)**	(106,354)	**(1,403)**	(24,355)
	Cents	Cents	**Cents**	Cents
Basic loss from continuing operations per MARIL/MARL share	**(15.89)**	(18.13)	**(0.30)**	(5.38)

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 2012 was $75.2 million (2011: $106.4 million). 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.

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 2012

Events Occurring after Balance Sheet Date

On 3 July 2012, 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 2012 of $20.9 million would be applied to a subscription for new MQA securities. Accordingly a total of 14,251,842 MQA securities were issued to MFA's assignee on 3 July 2012.

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' Reports 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 2012

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
29 August 2012

Derek Stapley
Director
Macquarie Atlas Roads International Limited
Pembroke, Bermuda
29 August 2012

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 2012

Richard England
Director
Macquarie Atlas Roads Limited
Sydney, Australia
29 August 2012

Auditor's Independence Declaration

As lead auditor for the review of Macquarie Atlas Roads Limited for the half year ended 30 June 2012, 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 and the entities it controlled during the half-year ended 30 June 2012.

Wayne Andrews

Wayne Andrews
Partner
PricewaterhouseCoopers

Sydney
29 August 2012

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Interim Financial Report
for the half year ended 30 June 2012

Consolidated Statements of Comprehensive Income

	Note	**MQA** Half year ended 30 Jun 2012 $'000	MQA Half year ended 30 Jun 2011 $'000	**MARL Group** Half year ended 30 Jun 2012 $'000	MARL Group Half year ended 30 Jun 2011 $'000
Revenue and other income from continuing operations					
Revenue from continuing operations		**42,967**	45,106	**906**	890
Other income from continuing operations		**112**	-	**-**	-
Total revenue and other income from continuing operations	2(i)	**43,079**	45,106	**906**	890
Operating expenses from continuing operations					
Finance costs		**(51,687)**	(51,171)	**-**	-
Other operating expenses		**(41,931)**	(92,159)	**(1,321)**	(6,383)
Total operating expenses from continuing operations	2(ii)	**(93,618)**	(143,330)	**(1,321)**	(6,383)
Share of net losses of investments accounted for using the equity method	3	**(33,416)**	(17,262)	**(988)**	(18,974)
Loss from continuing operations before income tax benefit		**(83,955)**	(115,486)	**(1,403)**	(24,467)
Income tax benefit		**8,778**	9,132	**-**	112
Loss for the half year		**(75,177)**	(106,354)	**(1,403)**	(24,355)
Other comprehensive income					
Exchange differences on translation of foreign operations		**(28,253)**	31,029	**8**	(3,044)
Cash flow hedges, net of tax		**5,332**	12,758	**-**	-
Other comprehensive income for the half year, net of tax		**(22,921)**	43,787	**8**	(3,044)
Total comprehensive income for the half year		**(98,098)**	(62,567)	**(1,395)**	(27,399)
Loss attributable to:					
Equity holders of the parent entity - MARIL		**(73,774)**	(81,999)	**-**	-
Equity holders of other stapled entity - MARL (as non-controlling interest/parent entity)		**(1,403)**	(24,355)	**(1,403)**	(24,355)
Stapled security holders		**(75,177)**	(106,354)	**(1,403)**	(24,355)
Total comprehensive income attributable to:					
Equity holders of the parent entity - MARIL		**(96,703)**	(35,168)	**-**	-
Equity holders of other stapled entity - MARL (as non-controlling interest/parent entity)		**(1,395)**	(27,399)	**(1,395)**	(27,399)
Stapled security holders		**(98,098)**	(62,567)	**(1,395)**	(27,399)
Loss per share from continuing operations attributable to MARIL/MARL shareholders					
Basic loss per share from continuing operations attributable to:		**Cents**	Cents	**Cents**	Cents
MARIL (as parent entity)		**(15.89)**	(18.13)	**-**	-
MARL (as parent entity)		**-**	-	**(0.30)**	(5.38)

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

Interim Financial Report
for the half year ended 30 June 2012

Consolidated Statements of Financial Position

	Note	MQA As at 30 Jun 2012 $'000	MQA As at 31 Dec 2011 $'000	MARL Group As at 30 Jun 2012 $'000	MARL Group As at 31 Dec 2011 $'000
Current assets					
Cash and cash equivalents		**58,957**	56,114	**8,374**	7,967
Receivables		**4,750**	6,966	**21,776**	7,348
Prepayments		**985**	953	**89**	31
Total current assets		**64,692**	64,033	**30,239**	15,346
Non-current assets					
Receivables		**-**	-	**3,484**	18,917
Investments accounted for using the equity method	3	**706,877**	753,412	**17,623**	18,608
Property, plant and equipment		**739,949**	742,209	**-**	-
Tolling concessions		**70,132**	70,255	**-**	-
Total non-current assets		**1,516,958**	1,565,876	**21,107**	37,525
Total assets		**1,581,650**	1,629,909	**51,346**	52,871
Current liabilities					
Payables	4	**(50,075)**	(51,054)	**(2,830)**	(2,960)
Interest-bearing financial liabilities	5	**(2,645)**	(3,803)	**-**	-
Derivative financial instruments		**(38,146)**	(34,094)	**-**	-
Total current liabilities		**(90,866)**	(88,951)	**(2,830)**	(2,960)
Non-current liabilities					
Payables	4	**(191,185)**	(174,891)	**(1,714)**	(1,714)
Interest-bearing financial liabilities	5	**(1,806,163)**	(1,760,943)	**-**	-
Derivative financial instruments		**(389,463)**	(394,580)	**-**	-
Deferred tax liabilities		**(23,389)**	(31,862)	**-**	-
Total non-current liabilities		**(2,410,200)**	(2,362,276)	**(1,714)**	(1,714)
Total liabilities		**(2,501,066)**	(2,451,227)	**(4,544)**	(4,674)
Net (liabilities)/assets		**(919,416)**	(821,318)	**46,802**	48,197
Equity					
Equity attributable to equity holders of the parent - MARIL					
Contributed equity	6	**1,335,394**	1,335,394	**-**	**-**
Reserves	7	**(1,932,092)**	(1,909,163)	**-**	**-**
Accumulated losses	8	**(369,520)**	(295,746)	**-**	**-**
MARIL security holders' interest		**(966,218)**	(869,515)	**-**	**-**
Equity attributable to other stapled security holders - MARL					
Contributed equity	6	**196,781**	196,781	**196,781**	196,781
Reserves	7	**(12,345)**	(12,353)	**(12,345)**	(12,353)
Accumulated losses	8	**(137,634)**	(136,231)	**(137,634)**	(136,231)
Other stapled security holders' interest		**46,802**	48,197	**46,802**	48,197
Total equity		**(919,416)**	(821,318)	**46,802**	48,197

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 29 August 2012 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

Consolidated Statements of Changes in Equity

MQA	Attributable to MARIL security holders					
	Contributed equity	Reserves	Accumulated losses	**Total**	Attributable to MARL security holders	**Total equity**
	$'000	$'000	$'000	**$'000**	$'000	**$'000**
Total equity at 1 January 2012	1,335,394	(1,909,163)	(295,746)	**(869,515)**	48,197	**(821,318)**
Loss for the half year	-	-	(73,774)	**(73,774)**	(1,403)	**(75,177)**
Exchange differences on translation of foreign operations	-	(28,261)	-	**(28,261)**	8	**(28,253)**
Cash flow hedges, net of tax	-	5,332	-	**5,332**	-	**5,332**
Total comprehensive income	-	(22,929)	(73,774)	**(96,703)**	(1,395)	**(98,098)**
Total equity at 30 June 2012	1,335,394	(1,932,092)	(369,520)	**(966,218)**	46,802	**(919,416)**

MQA	Attributable to MARIL security holders					
	Contributed equity	Reserves	Accumulated losses	**Total**	Attributable to MARL security holders	**Total equity**
	$'000	$'000	$'000	**$'000**	$'000	**$'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)**
Total equity at 30 June 2011	1,316,674	(1,535,515)	(150,284)	**(369,125)**	81,266	**(287,859)**

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

Interim Financial Report
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Consolidated Statements of Changes in Equity (continued)

MARL Group	Attributable to MARL security holders			
	Contributed equity	Reserves	Accumulated losses	**Total equity**
	$'000	$'000	$'000	**$'000**
Total equity at 1 January 2012	196,781	(12,353)	(136,231)	**48,197**
Loss for the half year	-	-	(1,403)	**(1,403)**
Exchange differences on translation of foreign operations	-	8	-	**8**
Total comprehensive income	-	8	(1,403)	**(1,395)**
Total equity at 30 June 2012	196,781	(12,345)	(137,634)	**46,802**

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

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 Half year ended 30 Jun 2012 $'000	MQA Half year ended 30 Jun 2011 $'000	**MARL Group Half year ended 30 Jun 2012 $'000**	MARL Group Half year ended 30 Jun 2011 $'000
Cash flows from operating activities				
Toll revenue received	**49,195**	51,459	**-**	-
Interest received	**419**	662	**187**	174
Net indirect taxes (paid)/received	**(7,883)**	(9,111)	**93**	117
Payments to suppliers and employees (inclusive of GST/VAT)	**(9,298)**	(7,388)	**(811)**	(667)
Manager's and Adviser's base fees paid	**(7,067)**	(7,706)	**(820)**	(879)
Income taxes (paid)/refunded	**(19)**	1,019	**-**	1,019
Other income received	**1,348**	1,480	**-**	-
Net cash flows from operating activities	**26,695**	30,415	**(1,351)**	(236)
Cash flows from investing activities				
Payment for purchase of investments (including transaction costs)	**-**	(257)	**-**	-
Payments for purchase of property, plant and equipment	**(1,119)**	(685)	**-**	-
Net cash flows used in investing activities	**(1,119)**	(942)	**-**	-
Cash flows from financing activities				
Proceeds from bank borrowings	**1,070**	445	**-**	-
Borrowing costs paid	**(26,672)**	(29,960)	**-**	-
Loan advanced to related party	**-**	-	**(1,500)**	-
Repayment of loan from related party	**2,512**	-	**3,280**	292
Net cash flows from financing activities	**(23,090)**	(29,515)	**1,780**	292
Net increase/(decrease) in cash assets held	**2,486**	(42)	**429**	56
Cash and cash equivalents at the beginning of the half year	**56,113**	66,047	**7,967**	7,015
Effects of exchange rate movements on cash and cash equivalents	**358**	(322)	**(22)**	(48)
Cash and cash equivalents at the end of the half year	**58,957**	65,683	**8,374**	7,023

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

Interim Financial Report
for the half year ended 30 June 2012

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 2012 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 year ended 31 December 2011 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").

The Interim Financial Reports were authorised for issue by the directors of the MARIL and the MARL Boards on 29 August 2012. The Boards have the power to amend and re issue the Interim Financial Reports.

Going concern and deficiency of net assets

The Interim Financial Reports have been prepared on a going concern basis. At 30 June 2012, MQA had a net current liability position of $26.2 million (31 December 2011: net current liability position of $24.9 million). Included within MQA's current payables are performance fees of $20.9 million (31 December 2011: $20.9 million). Included within MQA's current assets is reserved cash not available for use of $36.3 million (31 December 2011: $34.8 million), the majority of which is in relation to the M6 Toll. On 3 July 2012, 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 2012 would be applied to a subscription for new MQA securities. Management forecasts indicate that MQA will be able to meet its liabilities as and when they become due and payable, including performance fees which may become payable at 30 June 2013.

At 30 June 2012 MQA also had a deficiency of capital and reserves of $919.4 million (31 December 2011: $821.3 million). 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. These project related liabilities are non-recourse beyond the M6 Toll assets and MQA has no commitment to provide further debt or equity funding to the M6 Toll in order to meet these liabilities. The impact on traffic performance of the continuing difficult economic climate in the United Kingdom could affect the M6 Toll's ability to meet the terms of its debt covenants over the next 12 months. If so, it is anticipated that the debt will be restructured or an alternative agreement reached with the lenders in advance of any potential issue. The debt is non-recourse so there are no going concern implications for MQA. Should MQA no longer control the M6 Toll it would be deconsolidated and the M6 Toll related balances referred to above would no longer form part of the MQA Consolidated Statement of Financial Position.

Interim Financial Report
for the half year ended 30 June 2012

1 Summary of Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

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 Securities 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 year ended 31 December 2011.

Comparative figures

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

(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 2012.

(c) 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 2012, 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 2012. 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.

1 Summary of Significant Accounting Policies (continued)

(c) Principles of consolidation (continued)

Subsidiaries (continued)

The acquisition 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 year, 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 year, its results are included for that part of the year 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.

(d) 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.

(e) 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. Please refer to Note 1(d) for a summary of the accounting policy in relation to the Tolling concessions.

1 Summary of Significant Accounting Policies (continued)

(f) 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.

Discounted cash flow analysis is the methodology applied in determining recoverable amount. Discounted cash flow analysis is the process of estimating future cash flows that are expected to be generated by an asset and discounting these to their present value by applying an appropriate discount rate. The discount rate applied to the cash flows of a particular asset is reflective of the uncertainty associated with the future cash flows. Independent traffic forecasting experts provide a view on the most likely level of traffic to use for the toll road having regard to a wide range of factors including development of the surrounding road network and economic growth in the traffic corridor.

(g) 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.

(h) 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. After initial recognition, any performance fee liability is measured at its fair value.

(i) 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.

1 Summary of Significant Accounting Policies (continued)

(i) Derivative financial instruments (continued)

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.

(j) 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.

Significant judgments made in applying accounting policies, 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 below:

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. Judgements are also made in applying the Group’s financial instrument accounting policies at initial recognition and on an ongoing basis.

1 Summary of Significant Accounting Policies (continued)

(j) Critical Accounting Estimates and Judgements (continued)

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 current 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(f) 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 estimates and judgements involved in assessing impairment indicators and in determining the recoverable amounts of the assets.

Performance fees

In accordance with the accounting policy stated in Note 1(h) 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.

(k) Accounting Standards and Interpretations issued

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting half year. 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.

AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities and revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures (effective for annual reporting periods beginning on or after 1 January 2013)

In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures. The standards applicable to the Groups are detailed below.

AASB10 replaces all of the guidance on control and consolidation in *AASB 127 Consolidation and Separate Financial Statements, and Interpretation 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.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 128. 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 relating to its non capital Investments accounted for using the equity method.

1 Summary of Significant Accounting Policies (continued)

(k) Accounting Standards and Interpretations issued (continued)

The Groups do not expect to early adopt these new standards and will therefore first adopt them 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 2015)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 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 will therefore first adopt the new standard from 1 January 2015..

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

AASB 13 was released in September 2011. It 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 the disclosures of their financial liabilities measured at fair value. The Groups do not intend to adopt the new standard before its operative date, which means that it will be first applied from 1 January 2013.

Revised AASB 101 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 will 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.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 31) and Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

In December 2011, the IASB made amendments to the application guidance in IAS 32 *Financial Instruments: Presentation*, to clarify some of the requirements for offsetting financial assets and financial liabilities in the balance sheet. These amendments are effective from 1 January 2014.

They are unlikely to affect the accounting for any of the Groups current offsetting arrangements. However, the IASB has also introduced more extensive disclosure requirements into IFRS 7 which will apply from 1 January 2013.The AASB is expected to make equivalent changes to IAS 32 and AASB 7 shortly. When they become applicable, the Groups will have to provide a number of additional disclosures in relation to its offsetting arrangements. The Groups intend to apply the new rules for the first time in the financial year commencing 1 January 2014.

1 Summary of Significant Accounting Policies (continued)

(l) 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.

(m) 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.

2 Loss for the half year

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

(i) Revenue

Consolidated	**MQA** **Half year ended 30 Jun 2012** **$'000**	MQA Half year ended 30 Jun 2011 $'000	**MARL Group** **Half year ended 30 Jun 2012** **$'000**	MARL Group Half year ended 30 Jun 2011 $'000
Revenue from continuing operations				
Toll revenue	**41,156**	42,916	**-**	-
Other revenue	**1,391**	1,529	**-**	-
Interest Income:				
Related parties	**44**	124	**731**	733
Other persons and corporations	**376**	537	**175**	157
Total Interest income	**420**	661	**906**	890
Total revenue from continuing operations	**42,967**	45,106	**906**	890
Other income from continuing operations				
Gain on derivative financial instruments	**112**	-	**-**	-
Total other income from continuing operations	**112**	-	**-**	-
Total revenue and other income from continuing operations	**43,079**	45,106	**906**	890

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2 Loss for the half year (continued)

(ii) Operating expenses

	MQA	MQA	**MARL Group**	MARL Group
Consolidated	**Half year ended 30 Jun 2012 $'000**	Half year ended 30 Jun 2011 $'000	**Half year ended 30 Jun 2012 $'000**	Half year ended 30 Jun 2011 $'000
Operating expenses				
Finance costs:				
Interest expense:				
Other persons and corporations	**51,687**	51,171	**-**	-
Total finance Costs	**51,687**	51,171	**-**	-
Other operating expenses:				
Loss on derivative financial instruments	**-**	280	**-**	-
Amortisation of tolling concessions	**840**	848	**-**	-
Depreciation:				
Plant and machinery	**2,047**	1,966	**-**	-
Land and buildings	**351**	360	**-**	-
Toll road	**9,357**	9,221	**-**	-
	11,755	11,547	**-**	-
Cost of operations:				
Employment costs	**3,441**	3,648	**225**	171
Operating expenses	**2,611**	2,576	**-**	-
Operating lease rentals	**14,664**	13,752	**-**	-
	20,716	19,976	**225**	171
Other operating expenses:				
Consulting and administration fees	**646**	562	**207**	138
Manager's and Adviser's base fees	**7,146**	8,169	**733**	835
Manager's and Adviser's performance fees	**-**	50,106	**-**	5,196
Foreign exchange loss	**74**	104	**2**	102
Reversal of provision for impairment	**(62)**	-	**(63)**	(260)
Other expenses	**816**	567	**217**	201
	8,620	59,508	**1,096**	6,212
Total other operating expenses	**41,931**	92,159	**1,321**	6,383
Total operating expenses	**93,618**	143,330	**1,321**	6,383

3 Investments Accounted for using the Equity Method

	MQA	MQA	**MARL Group**	MARL Group
	As at 30 Jun 2012 $'000	As at 31 Dec 2011 $'000	**As at 30 Jun 2012 $'000**	As at 31 Dec 2011 $'000
Shares in associates – equity method	**706,877**	753,412	**17,623**	18,608
	706,877	753,412	**17,623**	18,608

Information relating to associates is set out below:

(a) Carrying amounts

Name of Entity	**Country of incorporation**	**Principal Activity**	**MQA Ownership Interest**	**MQA**	MQA	**MARL Ownership Interest**	**MARL Group**	MARL Group
			As at 30 Jun 2012 and 31 Dec 2011 %	**As at 30 Jun 2012 $'000**	As at 31 Dec 2011 $'000	**As at 30 Jun 2012 and 31 Dec 2011 %**	**As at 30 Jun 2012 $'000**	As at 31 Dec 2011 $'000
Macquarie Autoroutes de France 2 SA	Luxembourg	Investment in toll road network located in the east of France (APRR)	**38.9**	**556,901**	596,100	**-**	**-**	-
Dulles Greenway Partnership*	USA	Investment in toll road located in northern Virginia, USA	**50.0**	**149,976**	157,312	**6.7**	**17,623**	18,608
Chicago Skyway Partnership	USA	Investment in toll road located south of Chicago, USA	**50.0**	**-**	-	**50.0**	**-**	-
Indiana Toll Road Partnership	USA	Investment in toll road located in northern Indiana, USA	**49.0**	**-**	-	**49.0**	**-**	-
Warnowqueru ng GmbH & Co KG ("WKG") (Limited Partnership)**	Germany	Investment in toll road located in Rostock, north-eastern Germany	**70.0**	**-**	-	**-**	**-**	-
				706,877	753,412		**17,623**	18,608

* 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 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.

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3 Investments Accounted for using the Equity Method (continued)

(b) Movement in carrying amounts

	MQA	MQA	**MARL Group**	MARL Group
	Half year ended 30 Jun 2012 $'000	Half year ended 30 Jun 2011 $'000	**Half year ended 30 Jun 2012 $'000**	Half year ended 30 Jun 2011 $'000
Carrying amount at the beginning of the half year	**753,412**	931,068	**18,608**	75,499
Share of losses after income tax *	**(33,416)**	(17,262)	**(988)**	(18,974)
Foreign exchange movement	**(13,119)**	9,752	**3**	(2,868)
Carrying amount at the end of the half year	**706,877**	923,558	**17,623**	53,657

* Included in the share of losses after income tax are fair value losses on interest rate swaps of $14.4 million (30 June 2011: fair value gains of $3.3 million) for MQA and fair value losses of $nil (30 June 2011: fair value losses of $6.8 million) for the MARL Group, for which hedge accounting has not been applied.

(c) Share of associates' profits or losses

	MQA	MQA	**MARL Group**	MARL Group
	Half year ended 30 Jun 2012 $'000	Half year ended 30 Jun 2011 $'000	**Half year ended 30 Jun 2012 $'000**	Half year ended 30 Jun 2011 $'000
Group's share of:				
Revenue	**306,895**	321,943	**31,693**	29,754
Expenses	**(434,713)**	(400,148)	**(128,545)**	(111,578)
Loss before income tax	**(127,818)**	(78,205)	**(96,852)**	(81,824)
Income tax (expense)/benefit	**(3,472)**	(3,845)	**428**	424
Loss after income tax	**(131,290)**	(82,050)	**(96,424)**	(81,400)

(d) Share of associates assets and liabilities

	MQA	MQA	**MARL Group**	MARL Group
	As at 30 Jun 2012 $'000	As at 31 Dec 2011 $'000	**As at 30 Jun 2012 $'000**	As at 31 Dec 2011 $'000
Group's share of:				
Assets	**6,034,662**	6,317,945	**1,544,059**	1,548,853
Liabilities	**(5,797,581)**	(5,935,376)	**(2,048,947)**	(1,956,315)
Net assets/(liabilities)	**237,081**	382,569	**(504,888)**	(407,462)

(e) Share of contingent liabilities of associates

At 30 June 2012 and 31 December 2011, there was 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 10 for details of contingent liabilities relating to associates.

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

	MQA	MQA	**MARL Group**	MARL Group
	Half year ended 30 Jun 2012 $'000	Half year ended 30 Jun 2011 $'000	**Half year ended 30 Jun 2012 $'000**	Half year ended 30 Jun 2011 $'000
At the beginning of the half year	**(450,843)**	(115,265)	**(443,292)**	(112,450)
Share of associates' losses not brought to account	**(97,874)**	(64,788)	**(95,436)**	(62,426)
At the end of the half year	**(548,717)**	(180,053)	**(538,728)**	(174,876)

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4 Payables

Consolidated	Note	**MQA** **As at 30 Jun 2012 $'000**	MQA As at 31 Dec 2011 $'000	**MARL Group** **As at 30 Jun 2012 $'000**	MARL Group As at 31 Dec 2011 $'000
Current					
VAT payable		**3,007**	3,058	**-**	-
Manager and Adviser base fees payable		**3,415**	3,263	**390**	403
Manager and Adviser performance fees payable	(i)	**20,861**	20,861	**2,186**	2,186
Lease payable	(ii)	**17,179**	17,005	**-**	-
Sundry creditors and accruals		**5,613**	6,867	**254**	371
		50,075	51,054	**2,830**	2,960
Non-current					
Manager and Adviser performance fees payable	(i)	**16,702**	16,702	**1,714**	1,714
Lease payable	(ii)	**174,483**	158,189	**-**	-
		191,185	174,891	**1,714**	1,714

(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 12 months ended 30 June 2012, MQA did not meet the performance criteria for a new performance fee to be earned.

For the 12 months 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 became payable at 30 June 2011 and was applied to a subscription for new MQA securities in August 2011. The second instalment of $16.7 million is payable at 30 June 2012. The third instalment of $16.7 million will become payable should the performance criteria be met at 30 June 2013.

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 became payable at 30 June 2011 and was applied to a subscription for new MQA securities in August 2011. The third instalment of $4.2 million is payable 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 2012 (31 December 2011: $20.9 million) comprise the second instalment of the June 2011 fee of $16.7 million and the third instalment of the June 2010 fee of $4.2 million. On 3 July 2012, as permitted under the agreement, MFA and MQA's independent directors agreed that these fees would be applied to a subscription of new MQA securities. Accordingly a total of 14,251,842 MQA securities were issued to MFA's assignee on 3 July 2012.

Non-current Manager and Adviser performance fees payable

Non-current Manager and Adviser performance fees payable of $16.7 million (31 December 2011: $16.7 million) comprises the third instalment of the June 2011 fee of $16.7 million.

(ii) Lease payable

The current and non-current 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.

5 Interest Bearing Financial Liabilities

Consolidated	Note	MQA As at 30 Jun 2012 $'000	MQA As at 31 Dec 2011 $'000	MARL Group As at 30 Jun 2012 $'000	MARL Group As at 31 Dec 2011 $'000
Current					
Non-recourse loans	(i)	**2,645**	3,803	**-**	-
		2,645	3,803	**-**	-
Non-current					
Non-recourse loans	(i)	**1,555,061**	1,538,144	**-**	-
Accrued interest rate swap liability	(ii)	**251,102**	222,799	**-**	-
		1,806,163	1,760,943	**-**	-
The maturity profile of the above interest bearing financial liabilities is:					
Due within one year		**2,645**	3,803	**-**	-
Due between one and five years		**1,555,061**	1,538,144	**-**	-
Due after five years		**251,102**	222,799	**-**	-
		1,808,808	1,764,746	**-**	-

(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 ($1.6 billion) (31 December 2011: £1.03 billion ($1.5 billion)) of Macquarie Motorways 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 40% commencing in 2012 and increasing by 20% each year to 100% by August 2014. £1.7 million ($2.6 million) (31 December 2011: £2.5 million ($3.8 million)) is included in the current non-recourse loan balance with regards to this cash sweep. The facilities comprise a £1.0 billion ($1.5 billion) (31 December 2011: £1.0 billion ($1.5 billion)) term loan and a £30.0 million ($45.9 million) (31 December 2011: £30.0 million ($45.4 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 2012 the interest rate was 2.53% (31 December 2011: 2.73%).

At 30 June 2012, the term loan was fully drawn down and £10.84 million ($16.57 million) (31 December 2011: £10.14 million ($15.4 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 5.82% (31 December 2011: 5.82%).

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 2012, this element incurs fixed interest at 7.12% (31 December 2011: 7.12%) per annum.

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6 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 2012 $'000	As at 31 Dec 2011 $'000	**As at 30 Jun 2012 $'000**	As at 31 Dec 2011 $'000
Ordinary shares	**1,335,394**	1,335,394	**196,781**	196,781
Contributed equity	**1,335,394**	1,335,394	**196,781**	196,781

	Attributable to MARIL equity holders	Attributable to MARIL equity holders	**Attributable to MARL equity holders**	Attributable to MARL equity holders
	Half year ended 30 Jun 2012 $'000	Year ended 31 Dec 2011 $'000	**Half year ended 30 Jun 2012 $'000**	Year ended 31 Dec 2011 $'000
On issue at the beginning of the period	**1,335,394**	1,316,674	**196,781**	194,640
Issued				
Application of performance fees to subscription for new securities*	**-**	18,720	**-**	2,141
On issue at the end of the period	**1,335,394**	1,335,394	**196,781**	196,781
	Number of shares '000	Number of shares '000	**Number of shares '000**	Number of shares '000
On issue at the beginning of the period	**464,280**	452,346	**464,280**	452,346
Issued				
Application of performance fees to subscription for new securities*	**-**	11,934	**-**	11,934
On issue at the end of the period	**464,280**	464,280	**464,280**	464,280

* During the year ended 31 December 2011, the first instalment of the June 2011 performance fee and the second instalment of the June 2010 performance, fee totalling $18.7 million attributable to MARIL, were applied to a subscription for new MARIL securities. Also, during the year ended 31 December 2011, the first instalment of the June 2011 performance fee and the second instalment of the June 2010 performance fee, totalling $2.1 million attributable to MARL, were applied to a subscription for new MARL securities.

7 Reserves

	Attributable to MARIL equity holders As at 30 Jun 2012 $'000	Attributable to MARIL equity holders As at 31 Dec 2011 $'000	Attributable to MARL equity holders As at 30 Jun 2012 $'000	Attributable to MARL equity holders As at 31 Dec 2011 $'000
Balance of reserves				
Hedging reserve - cash flow hedges (net of tax)	**(449,723)**	(455,055)	**-**	-
Foreign currency translation reserve	**77,610**	105,871	**(12,345)**	(12,353)
Other reserve	**(1,559,979)**	(1,559,979)	**-**	-
	(1,932,092)	(1,909,163)	**(12,345)**	(12,353)

	Attributable to MARIL equity holders Half year ended 30 Jun 2012 $'000	Attributable to MARIL equity holders Year ended 31 Dec 2011 $'000	Attributable to MARL equity holders Half year ended 30 Jun 2012 $'000	Attributable to MARL equity holders Year ended 31 Dec 2011 $'000
Movements of reserves				
Hedging reserve – cash flow hedges (net of tax)				
Balance at the beginning of the period	**(455,055)**	(139,057)	**-**	-
Revaluation (gross) on interest rate swap contracts	**5,332**	(315,998)	**-**	-
Balance at the end of the period	**(449,723)**	(455,055)	**-**	-
Foreign currency translation reserve				
Balance at the beginning of the period	**105,871**	116,690	**(12,353)**	(11,772)
Net exchange differences on translation of foreign controlled entities	**(28,261)**	(10,819)	**8**	(581)
Balance at the end of the period	**77,610**	105,871	**(12,345)**	(12,353)
Other reserve*				
Balance at the beginning of the period	**(1,559,979)**	(1,559,979)	**-**	-
Balance at the end of the period	**(1,559,979)**	(1,559,979)	**-**	-

* On the demerger from MIG, a reserve has been recognised representing the difference between the fair value of securities issued and the historical carrying values of the interests in the assets acquired.

8 Accumulated losses

	Attributable to MARIL equity holders Half year ended 30 Jun 2012 $'000	Attributable to MARIL equity holders Year ended 31 Dec 2011 $'000	Attributable to MARL equity holders Half year ended 30 Jun 2012 $'000	Attributable to MARL equity holders Year ended 31 Dec 2011 $'000
Balance at the beginning of the period	**(295,746)**	(68,285)	**(136,231)**	(74,203)
Loss attributable to shareholders	**(73,774)**	(227,461)	**(1,403)**	(62,028)
Balance at the end of the period	**(369,520)**	(295,746)	**(137,634)**	(136,231)

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9 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 Boards 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 2012 and segment assets at 30 June 2012 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.

(b) Segment Information Provided to the MQA Boards

The proportionally consolidated segment information provided to the MQA Boards for the reportable segments for the half year ended 30 June 2012, based on MQA's effective ownership interest is as follows:

	Indiana Toll Road	Chicago Skyway	Dulles Greenway	M6 Toll	APRR	Warnow Tunnel	**Total MQA**
MQA	Half year ended 30 Jun 2012 $'000	Half year ended 30 Jun 2012 $'000	Half year ended 30 Jun 2012 $'000	Half year ended 30 Jun 2012 $'000	Half year ended 30 Jun 2012 $'000	Half year ended 30 Jun 2012 $'000	**Half year ended 30 Jun 2012 $'000**
Segment Revenue	22,175	7,165	17,557	42,645	237,539	3,527	**330,608**
Segment Expenses	(4,260)	(918)	(3,531)	(6,046)	(70,189)	(1,118)	**(86,062)**
Segment EBITDA	17,915	6,247	14,026	36,599	167,350	2,409	**244,546**
EBITDA Margin	81%	87%	80%	86%	70%	68%	**74%**
	As at 30 Jun 2012 $'000	As at 30 Jun 2012 $'000	As at 30 Jun 2012 $'000	As at 30 Jun 2012 $'000	As at 30 Jun 2012 $'000	As at 30 Jun 2012 $'000	**As at 30 Jun 2012 $'000**
Segment assets	931,946	512,256	822,073	856,895	3,624,640	143,747	**6,891,557**

The segment revenue disclosed in the table above primarily relates to toll revenue generated by the assets from external customers.

The proportionally consolidated segment information provided to the MQA Boards for the reportable segments for the half year ended 30 June 2011 and the segment assets at 31 December 2011, based on MQA's effective ownership interest is as follows:

	Indiana Toll Road	Chicago Skyway	Dulles Greenway	M6 Toll	APRR	Warnow Tunnel	**Total MQA**
MQA	Half year ended 30 Jun 2011 $'000	Half year ended 30 Jun 2011 $'000	Half year ended 30 Jun 2011 $'000	Half year ended 30 Jun 2011 $'000	Half year ended 30 Jun 2011 $'000	Half year ended 30 Jun 2011 $'000	**Half year ended 30 Jun 2011 $'000**
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 31 Dec 2011 $'000	As at 31 Dec 2011 $'000	As at 31 Dec 2011 $'000	As at 31 Dec 2011 $'000	As at 31 Dec 2011 $'000	As at 31 Dec 2011 $'000	**As at 31 Dec 2011 $'000**
Segment assets	932,870	513,120	844,983	849,515	3,877,454	149,518	**7,167,460**

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9 Segment Information (continued)

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

The proportionally consolidated segment information provided to the MQA Boards for the reportable segments for the half year ended 30 June 2012, based on the MARL Group's effective ownership interest is as follows:

	Indiana Toll Road	Chicago Skyway	Dulles Greenway	**Total MARL Group**
MARL Group	Half year ended 30 Jun 2012 $'000	Half year ended 30 Jun 2012 $'000	Half year ended 30 Jun 2012 $'000	**Half year ended 30 Jun 2012 $'000**
Segment Revenue	22,175	7,165	2,353	**31,693**
Segment Expenses	(4,260)	(918)	(473)	**(5,651)**
Segment EBITDA	17,915	6,247	1,880	**26,042**
EBITDA Margin	81%	87%	80%	**82%**
	As at 30 Jun 2012 $'000	As at 30 Jun 2012 $'000	As at 30 Jun 2012 $'000	**As at 30 Jun 2012 $'000**
Segment assets	931,946	512,256	99,857	**1,544,059**

The segment revenue disclosed in the table above primarily relates to toll revenue generated by the assets from external customers.

The proportionally consolidated segment information provided to the MQA Boards for the reportable segments for the half year ended 30 June 2011 and the segment assets at 31 December 2011, based on the MARL Group's effective ownership interest is as follows:

	Indiana Toll Road	Chicago Skyway	Dulles Greenway	**Total MARL Group**
MARL Group	Half year ended 30 Jun 2011 $'000	Half year ended 30 Jun 2011 $'000	Half year ended 30 Jun 2011 $'000	**Half year ended 30 Jun 2011 $'000**
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 31 Dec 2011 $'000	As at 31 Dec 2011 $'000	As at 31 Dec 2011 $'000	**As at 31 Dec 2011 $'000**
Segment assets	932,870	513,120	102,863	**1,548,853**

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9 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
	Half year ended 30 Jun 2012 $'000	Half year ended 30 Jun 2011 $'000	**Half year ended 30 Jun 2012 $'000**	Half year ended 30 Jun 2011 $'000
Reconciliation of Segment Revenue to Revenue				
Segment Revenue	**330,608**	343,738	**31,693**	29,327
Revenue attributable to investments accounted for under the equity method*	**(287,963)**	(299,293)	**(31,693)**	(29,327)
Unallocated revenue	**434**	661	**906**	890
Total revenue	**43,079**	45,106	**906**	890
Reconciliation of Segment EBITDA to Loss before income tax benefit				
Segment EBITDA	**244,546**	247,990	**26,042**	23,584
EBITDA attributable to investments accounted for under the equity method *	**(207,947)**	(209,457)	**(26,042)**	(23,584)
Other expenses from consolidated toll road assets	**(78,993)**	(78,051)	**-**	-
Unallocated revenue	**434**	661	**906**	890
Unallocated expenses	**(8,579)**	(59,367)	**(1,321)**	(6,383)
Share of net loss of investments accounted for using the equity method	**(33,416)**	(17,262)	**(988)**	(18,974)
Loss from continuing operations before income tax benefit	**(83,955)**	(115,486)	**(1,403)**	(24,467)

	MQA	MQA	**MARL Group**	MARL Group
	As at 30 Jun 2012 $'000	As at 31 Dec 2011 $'000	**As at 30 Jun 2012 $'000**	As at 31 Dec 2011 $'000
Reconciliation of Segment Assets to Total Assets				
Segment assets	**6,891,557**	7,167,460	**1,544,059**	1,548,853
Other cash assets	**13,593**	20,330	**8,374**	7,967
Other assets	**4,285**	6,653	**25,349**	26,296
Impairment provision for investments accounted for using the equity method	**(67,414)**	(67,373)	**(3,444)**	(3,442)
Liabilities included in investments accounted for using the equity method	**(5,260,371)**	(5,497,161)	**(1,522,992)**	(1,526,803)
Total assets	**1,581,650**	1,629,909	**51,346**	52,871

* 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.

10 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 ($1.5 million) (31 December 2011: €1.2 million ($1.5 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 ($1.5 million) (31 December 2011: €1.2 million ($1.5 million)) has been deposited. These funds are restricted and are not accessible.

The MARL Group had no contingent liabilities at 30 June 2012 and 31 December 2011.

Commitments

M6 Toll

As part of the debt refinancing of the M6 Toll in August 2006, Macquarie European Infrastructure Limited, a subsidiary of MARIL, made a commitment to procure that one of its subsidiaries would contribute up to a maximum of £70.0 million ($107.1 million) (31 December 2011: £70.0 million ($106.0 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, the Group believes that no provisions are necessary in the financial statements at 30 June 2012.

The MARL Group had no commitments for expenditure at 30 June 2012 and 31 December 2011.

11 Events Occurring After Balance Sheet Date

On 3 July 2012, 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 2012 of $20.9 million would be applied to a subscription for new MQA securities. A total of 14,251,842 MQA securities were issued to MFA's assignee on 3 July 2012.

Since balance date, there are no other matters or circumstances not otherwise dealt with in the Financial Reports 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 2012.

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Directors' Declaration – Macquarie Atlas Roads International Limited

The directors of Macquarie Atlas Roads International Limited ("MARIL") declare that:

a) the interim financial statements of MARIL and its controlled entities ("MQA") and notes set out on pages 8 to 31 are in accordance with the bye-laws of MARIL and:

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

   ii) give a true and fair view of the financial position of MQA as at 30 June 2012 and of its performance for the half year ended on that date; and

   iii) comply with International Financial Reporting Standards as issued by the International Accounting Standards Board; and

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

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

Jeffrey Conyers
Chairman
Macquarie Atlas Roads International Limited
Pembroke, Bermuda
29 August 2012

Derek Stapley
Director
Macquarie Atlas Roads International Limited
Pembroke, Bermuda
29 August 2012

Directors' Declaration – Macquarie Atlas Roads Limited

The directors of Macquarie Atlas Roads Limited ("MARL") declare that:

a) the interim financial statements of MARL and its controlled entities (the "MARL Group") and notes set out on pages 8 to 31 are in accordance with the constitution of MARL and the *Corporations Act 2001*, including:

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

ii) giving a true and fair view of the financial position of the MARL Group as at 30 June 2012 and of its performance for the half year ended as on that date; and

iii) complying with International Financial Reporting Standards as issued by the International Accounting Standards Board; and

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

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

David Walsh
Chairman
Macquarie Atlas Roads Limited
Sydney, Australia
29 August 2012

Richard England
Director
Macquarie Atlas Roads Limited
Sydney, Australia
29 August 2012

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

Report on the Interim Financial Reports

We have reviewed the accompanying interim 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 2012 and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and consolidated statements of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declarations for Macquarie Atlas Roads and Macquarie Atlas Roads Limited Group. Macquarie Atlas Roads (the consolidated stapled entity as described in Note 1) comprises Macquarie Atlas Roads International Limited and the entities it controlled during the half-year, and Macquarie Atlas Roads Limited and the entities it controlled during the half-year. Macquarie Atlas Roads Limited Group comprises Macquarie Atlas Roads Limited and the entities it controlled during the half-year.

Directors' responsibility for the interim financial reports

The directors of Macquarie Atlas Roads International Limited and Macquarie Atlas Roads Limited are responsible for the preparation of interim financial reports that give a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act* 2001 (as applicable) and for such internal control as the directors determine is necessary to enable the preparation of interim 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 interim financial reports based on our reviews. We conducted our reviews in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a 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 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 2012 and of their performance for the half-year 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 an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. 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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Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim 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 2012 and of their performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board and the *Corporations Regulations 2001* (as applicable).

PricewaterhouseCoopers

PricewaterhouseCoopers

Wayne Andrews

Wayne Andrews
Partner

Sydney
29 August 2012