MACQUARIE ATLAS ROADS

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2015

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 2015

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 and domiciled in Bermuda with limited liability and the registered office is Belvedere Building, 69 Pitts Bay Road, Pembroke HM08, Bermuda. MARL is a company limited by shares incorporated and domiciled in Australia and the registered office is Level 7, 50 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.

Interim Financial Report
for the half year ended 30 June 2015

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Directors' Report
for the half year ended 30 June 2015

Directors' Report

The directors of Macquarie Atlas Roads International Limited ("MARIL") submit the following report together with the Interim Financial Report of Macquarie Atlas Roads ("MQA" or "the Group") for the half year ended 30 June 2015. *AASB 3 Business Combinations* and *AASB 10 Consolidated 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 MQA.

The directors of MARL submit the following report for the MARL Group for the half year ended 30 June 2015.

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

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)
— James Keyes
— Nora Scheinkestel (appointed 17 April 2015)
— Derek Stapley
— David Walsh (resigned 17 April 2015)

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):

— Nora Scheinkestel (appointed as Chairman 17 April 2015)
— Marc de Cure
— Richard England
— John Roberts
— David Walsh (resigned as Chairman and as a director 17 April 2015)

Directors' Report
for the half year ended 30 June 2015

Operating and Financial Review

Principal activities

The principal activity of the Group and the MARL Group (together "the Groups") is to invest in infrastructure assets in OECD and OECD equivalent countries; and non-infrastructure assets where ancillary to a major infrastructure investment or acquisitions but with current focus on toll road investments, both greenfield and mature. Other than as disclosed elsewhere in this report, there were no significant changes in the nature of the Groups' activities during the half year.

Distributions

Distributions paid to security holders during the half year were as follows:

	Half Year ended 30 Jun 2015 $'000	Half Year ended 30 Jun 2014 $'000
Distribution of 6.0 cents per stapled security ("cps") paid on 31 March 2015*	**30,692**	-
Ordinary dividend of 5.0 cps paid on 4 April 2014	**-**	24,362
	30,692	24,362

All of the distributions were paid in full by MARIL.

* This distribution comprised a capital return of 4.7 cps and an ordinary dividend of 1.3 cps.

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 2015 $'000	Half year ended 30 Jun 2014 $'000	**Half year ended 30 Jun 2015 $'000**	Half year ended 30 Jun 2014 $'000
Revenue from operations	**1,685**	979	**567**	747
Profit/(loss) from operations after income tax	**40,284**	(67,898)	**13,932**	(10,674)
	Cents	Cents	**Cents**	Cents
Profit/(loss) per MQA stapled security	**7.87**	(13.93)	**2.72**	(2.19)

MQA's share of the results of its non-controlled toll road assets are disclosed as share of net profits/(losses) of investments accounted for using the equity method.

MQA's profit after tax for the half year ended 30 June 2015 was $40.3 million (2014: loss of $67.9 million). The movement in results for the half year reflects the following significant items:

- Operating expenses of $13.5 million (2014: $70.8 million) have decreased mainly due to no new performance fees being payable in respect of the 12 months ended 30 June 2015. At 30 June 2014, MQA recognised the full 30 June 2014 performance fee ($58.2 million), including instalments that were expected to become payable in future periods;
- Share of net profit of investments accounted for using the equity method of $68.3 million (2014: profit of $1.9 million), comprising:
  - (i) Autoroutes Paris-Rhin-Rhône ("APRR") profit of $44.2 million (2014: profit of $15.2 million), including APRR's fair value gain on interest rate swaps for the half year ended 30 June 2015 of $12.6 million (2014: loss of $3.4 million);
  - (ii) Dulles Greenway loss of $8.1 million (2014: loss of $8.2 million);
  - (iii) Distribution proceeds of $32.3 million (2014: $nil) relating to the sale of ITR Concession Company Holdings LLC ("ITRCCH"); and
  - (iv) No further Chicago Skyway losses being brought to account as the investment has been held at $nil since 30 June 2014 (2014: loss of $5.1 million).
- A preliminary estimated tax of $16.2 million (2014: $nil) on the distribution proceeds relating to the sale of ITRCCH.

Directors' Report
for the half year ended 30 June 2015

Significant Changes in State of Affairs

French Political Update

In January 2015, the French Government announced the establishment of a working group, comprising members of parliament and government representatives, with the objective of considering options for the renegotiation of the existing toll concession agreements, or in the alternative, the termination of these agreements. Pending the recommendations of the working group, the government decided to defer the toll increases contractually scheduled for 1 February 2015.

In April 2015, APRR and Autoroutes Rhone-Alpes (AREA) together with certain other French motorways companies ("Operators") reached an in-principle agreement with the French Government to amend their existing contractual relationships. The in-principle agreement includes the following significant measures:

- A €3.2 billion sector-wide capital investment plan under which APRR and AREA have agreed to perform capital works with a total value of ~€720 million, in return for extensions of the existing concessions
- Compensation for the 2013 land tax increase via supplemental toll increases in the years 2016-2018
- No toll increase in 2015, with compensation via supplemental toll increases over 2019-2023
- A total of ~€1 billion contribution by the Operators towards the funding of infrastructure investment in France over the next 20 years, with estimated contribution averaging €15-16 million p.a. (indexed) by APRR/AREA.

At 30 June 2015 this in-principle agreement remained subject to final contract. Refer below "events occurring after balance sheet date" for the update post 30 June 2015.

Eiffarie Debt Refinancing

On 19 February 2015, Eiffarie SAS, the holding company for APRR, completed refinancing of its debt facility. A €1.5 billion term loan, together with the proceeds of a distribution from APRR, was applied towards the full repayment of Eiffarie's existing €2.5 billion debt facility, which was due to mature in February 2017. In addition, APRR signed a €1.8 billion revolving credit facility which replaced its existing undrawn €720 million credit facility.

Sale of Indiana Toll Road

In October 2014, the operator of Indiana Toll Road received approval for its debt restructuring plan which permitted for the sale of the business. On 27 May 2015, financial close was reached on the sale and subsequently MQA received US$25.0 million ($32.3 million) in proceeds. These proceeds were subject to United States Alternative Minimum Tax ("AMT"). A preliminary estimated AMT liability of US$12.6 million ($16.2 million) was paid to the Internal Revenue Service on 15 June 2015.

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

Events occurring after balance sheet date

On 2 July 2015, as permitted under MARIL's and MARL's advisory and management agreements with MFA, MFA and MQA's independent directors agreed that the second instalment of the June 2014 manager's and adviser's performance fee of $19.4 million (excluding GST) (which became payable at 30 June 2015) would be applied to a subscription for new MQA securities at a price of $3.262724 per security. Accordingly, 5,946,098 MQA securities were issued to an assignee of MFA on 2 July 2015.

On 23 August 2015 the in-principle agreement with the French State, referred to above, was formalised by way of amendments to the APRR and AREA concession contracts. MQA is now liable to pay additional consideration (relating to the July 2014 purchase of its 1.41% interest in Macquarie Autoroutes de France 2 SA) up to a maximum of €5.1 million, subject to ongoing operational assumptions (refer Note 11).

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 2015.

Auditor's Independence Declaration

A copy of the auditor's independence declaration for MARL and the entities it controlled during the period, as required under section 307C of the Corporations Act 2001, and an independence declaration for Macquarie Atlas Roads International Limited and the entities it controlled during the period, are set out on page 8.

Directors' Report
for the half year ended 30 June 2015

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 13/1050 as amended by Class Order 13/1644.

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
26 August 2015

Derek Stapley
Director
Macquarie Atlas Roads International Limited
Pembroke, Bermuda
26 August 2015

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

Nora Scheinkestel
Chairman
Macquarie Atlas Roads Limited
Sydney, Australia
26 August 2015

Richard England
Director
Macquarie Atlas Roads Limited
Sydney, Australia
26 August 2015

Auditor’s Independence Declaration

As lead auditor for the reviews of Macquarie Atlas Roads International Limited and Macquarie Atlas Roads Limited for the half year ended 30 June 2015, 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 reviews; and

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

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

Stafford

Craig Stafford
Partner
PricewaterhouseCoopers

Sydney
26 August 2015

PricewaterhouseCoopers, ABN 52 780 433 757

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Interim Financial Report
for the half year ended 30 June 2015

Consolidated Statements of Comprehensive Income

	Note	**MQA** Half year ended 30 Jun 2015 $'000	MQA Half year ended 30 Jun 2014 $'000	**MARL Group** Half year ended 30 Jun 2015 $'000	MARL Group Half year ended 30 Jun 2014 $'000
Revenue from operations					
Revenue		**1,685**	979	**567**	747
Total revenue from operations	2(i)	**1,685**	979	**567**	747
Operating expenses from operations					
Operating expenses		**(13,502)**	(70,815)	**(1,586)**	(5,239)
Total operating expenses from operations	2(ii)	**(13,502)**	(70,815)	**(1,586)**	(5,239)
Share of net profits/(losses) of investments accounted for using the equity method	4(b)	**68,348**	1,943	**31,193**	(6,182)
Profit/(loss) from operations before income tax		**56,531**	(67,893)	**30,174**	(10,674)
Income tax expense		**(16,247)**	(5)	**(16,242)**	-
Profit/(loss) for the half year		**40,284**	(67,898)	**13,932**	(10,674)
Profit/(loss) attributable to:					
Equity holders of the parent entity – MARIL		**26,352**	(57,224)	**-**	-
Equity holders of other stapled entity - MARL (as non-controlling interest/parent entity)		**13,932**	(10,674)	**13,932**	(10,674)
Stapled security holders		**40,284**	(67,898)	**13,932**	(10,674)
Other comprehensive (loss)/profit					
Items that may be reclassified to profit or loss:					
Exchange differences on translation of foreign operations		**(9,717)**	(47,732)	**1,008**	(986)
Other comprehensive (loss)/profit for the half year, net of tax		**(9,717)**	(47,732)	**1,008**	(986)
Total comprehensive income/(loss) for the half year		**30,567**	(115,630)	**14,940**	(11,660)
Total comprehensive income/(loss) attributable to:					
Equity holders of the parent entity - MARIL		**15,627**	(103,970)	**-**	-
Equity holders of other stapled entity - MARL (as non-controlling interest/parent entity)		**14,940**	(11,660)	**14,940**	(11,660)
Stapled security holders		**30,567**	(115,630)	**14,940**	(11,660)
Profit/(loss) per share attributable to MARIL/MARL shareholders					
Basic and diluted profit/(loss) per share attributable to:		**Cents**	Cents	**Cents**	Cents
MARIL (as parent entity)		**5.15**	(11.74)	**-**	-
MARL (as non-controlling interest)		**-**	-	**2.72**	(2.19)

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 2015

Consolidated Statements of Financial Position

	Note	**MQA** **As at 30 Jun 2015 $'000**	MQA As at 31 Dec 2014 $'000	**MARL Group** **As at 30 Jun 2015 $'000**	MARL Group As at 31 Dec 2014 $'000
Current assets					
Cash and cash equivalents		**43,744**	30,116	**41,807**	28,884
Receivables		**848**	797	**197**	345
Prepayments		**177**	121	**83**	53
Total current assets		**44,769**	31,034	**42,087**	29,282
Non-current assets					
Cash not available for use		**1,719**	1,763	**-**	-
Receivables		**-**	-	**6,734**	4,373
Investments accounted for using the equity method	4(a)	**815,588**	835,431	**16,314**	16,456
Total non-current assets		**817,307**	837,194	**23,048**	20,829
Total assets		**862,076**	868,228	**65,135**	50,111
Current liabilities					
Payables	5	**(26,178)**	(25,935)	**(2,107)**	(2,023)
Total current liabilities		**(26,178)**	(25,935)	**(2,107)**	(2,023)
Non-current liabilities					
Provisions	5	**(19,400)**	(19,400)	**(1,287)**	(1,287)
Total non-current liabilities		**(19,400)**	(19,400)	**(1,287)**	(1,287)
Total liabilities		**(45,578)**	(45,335)	**(3,394)**	(3,310)
Net assets		**816,498**	822,893	**61,741**	46,801
Equity					
Equity attributable to equity holders of the parent – MARIL					
Contributed equity	6	**1,386,088**	1,410,130	**-**	-
Reserves	7	**12,266**	22,991	**-**	-
Accumulated losses	8	**(643,597)**	(657,029)	**-**	-
MARIL security holders' interest		**754,757**	776,092	**-**	-
Equity attributable to other stapled security holders – MARL					
Contributed equity	6	**205,552**	205,552	**205,552**	205,552
Reserves	7	**(10,156)**	(11,164)	**(10,156)**	(11,164)
Accumulated losses	8	**(133,655)**	(147,587)	**(133,655)**	(147,587)
Other stapled security holders' interest		**61,741**	46,801	**61,741**	46,801
Total equity		**816,498**	822,893	**61,741**	46,801

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 26 August 2015 and was signed on its behalf by:

Jeffrey Conyers
Chairman
Macquarie Atlas Roads International Limited
Pembroke, Bermuda

Derek Stapley
Director
Macquarie Atlas Roads International Limited
Pembroke, Bermuda

Interim Financial Report for the half year ended 30 June 2015

Consolidated Statements of Changes in Equity

MQA	**Attributable to MARIL security holders**					
	Contributed equity	**Reserves**	**Accumulated losses**	**Total**	**Attributable to MARL security holders**	**Total MQA Equity**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Total equity at 1 January 2015	1,410,130	22,991	(657,029)	**776,092**	**46,801**	**822,893**
Adjustment in opening accumulated losses on adoption of IFRIC 21	-	-	(6,270)	**(6,270)**	**-**	**(6,270)**
Profit for the half year	-	-	26,352	**26,352**	**13,932**	**40,284**
Exchange differences on translation of foreign operations	-	(10,725)	-	**(10,725)**	**1,008**	**(9,717)**
Total comprehensive income	-	(10,725)	20,082	**9,357**	**14,940**	**24,297**
Transactions with equity holders in their capacity as equity holders:						
Capital return*	(24,042)	-	-	**(24,042)**	**-**	**(24,042)**
Dividends paid*	-	-	(6,650)	**(6,650)**	**-**	**(6,650)**
	(24,042)	-	(6,650)	**(30,692)**	**-**	**(30,692)**
Total equity at 30 June 2015	1,386,088	12,266	(643,597)	**754,757**	**61,741**	**816,498**

* On 31 March 2015, MQA paid a distribution of 6.0 cents per stapled security ("cps"). This distribution comprised a capital return of 4.7 cps and an ordinary dividend of 1.3 cps.

MQA	Attributable to MARIL security holders					
	Contributed equity	Reserves	Accumulated losses	Total	Attributable to MARL security holders	Total MQA Equity
	$'000	$'000	$'000	$'000	$'000	$'000
Total equity at 1 January 2014	1,369,408	38,745	(585,267)	822,886	52,674	875,560
Loss for the half year	-	-	(57,224)	(57,224)	(10,674)	(67,898)
Exchange differences on translation of foreign operations	-	(46,746)	-	(46,746)	(986)	(47,732)
Total comprehensive loss	-	(46,746)	(57,224)	(103,970)	(11,660)	(115,630)
Transactions with equity holders in their capacity as equity holders:						
Costs directly attributable to equity placement	-	(665)	-	(665)	(47)	(712)
Dividends paid	-	-	(24,362)	(24,362)	-	(24,362)
	-	(665)	(24,362)	(25,027)	(47)	(25,074)
Total equity at 30 June 2014	1,369,408	(8,666)	(666,853)	693,889	40,967	734,856

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

Consolidated Statements of Changes in Equity (continued)

MARL Group

	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	**Total MARL Group Equity $'000**
Total equity at 1 January 2015	205,552	(11,164)	(147,587)	**46,801**
Profit for the half year	**-**	**-**	13,932	**13,932**
Exchange differences on translation of foreign operations	-	1,008	-	**1,008**
Total comprehensive income	-	1,008	13,932	**14,940**
Total equity at 30 June 2015	205,552	(10,156)	(133,655)	**61,741**

MARL Group

	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total MARL Group Equity $'000
Total equity at 1 January 2014	200,330	(12,437)	(135,219)	52,674
Loss for the half year	**-**	**-**	(10,674)	(10,674)
Exchange differences on translation of foreign operations	-	(986)	-	(986)
Total comprehensive loss	-	(986)	(10,674)	(11,660)
Transactions with equity holders in their capacity as equity holders:				
Costs directly attributable to equity placement	-	(47)	-	(47)
				(47)
	-	(47)	-	
Total equity at 30 June 2014	200,330	(13,470)	(145,893)	40,967

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

Interim Financial Report
for the half year ended 30 June 2015

Consolidated Statements of Cash Flows

	MQA	MQA	**MARL Group**	MARL Group
	Half year ended 30 Jun 2015 $'000	Half year ended 30 Jun 2014 $'000	**Half year ended 30 Jun 2015 $'000**	Half year ended 30 Jun 2014 $'000
Cash flows from operating activities				
M6 Toll management fees received	**706**	-	**-**	-
Other income received	**315**	-	**-**	-
Interest received	**378**	278	**715**	820
Manager's and adviser's base fees paid	**(11,905)**	(11,491)	**(937)**	(809)
Payments to suppliers and employees (inclusive of GST/VAT)	**(1,520)**	(1,469)	**(695)**	(656)
Net indirect taxes received	**100**	70	**96**	59
Estimated tax paid on distribution proceeds received from sale of ITR Concession Company Holdings LLC ("ITRCCH")	**(16,242)**	-	**(16,242)**	-
Income taxes paid	**(6)**	(6)	**-**	-
Net cash flows from operating activities	**(28,174)**	(12,618)	**(17,063)**	(586)
Cash flows from investing activities				
Distribution proceeds received from sale of ITRCCH	**32,284**	-	**32,284**	-
Principal and interest received from preferred equity certificates issued by Macquarie Autoroutes de France 2 SA	**39,751**	39,588	**-**	-
Net cash flows from investing activities	**72,035**	39,588	**32,284**	-
Cash flows from financing activities				
Capital return	**(24,042)**	-	**-**	-
Dividends paid	**(6,650)**	(24,362)	**-**	-
Loan advanced to related party	**-**	-	**(5,650)**	(6,700)
Repayment of loans from related parties	**-**	-	**3,287**	9,233
Net cash flows from financing activities	**(30,692)**	(24,362)	**(2,363)**	2,533
Net increase in cash and cash equivalents	**13,169**	2,608	**12,858**	1,947
Cash and cash equivalents at the beginning of the half year	**30,116**	17,656	**28,884**	15,738
Effects of exchange rate movements on cash and cash equivalents	**459**	1	**65**	(4)
Cash and cash equivalents at the end of the half year	**43,744**	20,265	**41,807**	17,681
Cash not available for use at the beginning of the half year	**1,763**	1,836	**-**	**-**
Effects of exchange rate movements on cash not available for use	**(44)**	(109)	**-**	**-**
Cash not available for use at the end of the half year	**1,719**	1,727	**-**	**-**

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

Notes to the Interim Financial Statements

1 Summary of significant accounting policies

These general purpose Interim Financial Reports for the half year ended 30 June 2015 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 2014 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 except as disclosed in Note 1(a).

(a) Basis of preparation

As permitted by ASIC Class Order 05/642 as amended by Class Order 10/655, this report consists of the Interim Financial Reports 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 Interim Financial Reports 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 Group and the MARL Group are collectively referred to as "the Groups". Both MARIL and MARL are for-profit entities for the purpose of preparing the Interim Financial Reports.

The Interim Financial Reports were authorised for issue by the directors of the MARIL and the MARL Boards on 26 August 2015. The Boards have the power to amend and re-issue the Interim Financial Reports.

Going concern

The Interim Financial Reports have been prepared on a going concern basis. At 30 June 2015, MQA had a net current asset position of $18.6 million (31 December 2014: $5.1 million). Included within MQA's current payables are performance fees of $19.4 million (excluding GST) (31 December 2014: $19.4 million). Management forecasts indicate that MQA will be able to meet its liabilities as and when they become due and payable.

Compliance with International Financial Reporting Standards ("IFRS")

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

Historical cost convention

These Interim Financial Reports have been prepared under the historical cost convention.

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.

Reclassifications

Certain prior year amounts in the Interim Financial Reports and accompanying notes have been reclassified to conform to the current year presentation. The reclassifications had no effect on previously reported consolidated total assets, total liabilities, comprehensive income or shareholders' equity.

(b) Consolidated accounts and stapling arrangements

AASB 3 Business Combinations and *AASB 10 Consolidated Financial Statements* require one of the stapled entities of a stapled structure to be identified as the parent entity for the purpose of preparing Interim Financial Reports. 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 Interim Financial Report of MQA should be read in conjunction with the separate Interim Financial Report of the MARL Group presented in this report for the half year ended 30 June 2015.

1 Summary of significant accounting policies (continued)

(c) Principles of consolidation

As per *AASB 10 Consolidated Financial Statements*, the Groups control an entity when the Groups are exposed to, or have the right to, variable returns from involvement with the entity and have the ability to affect those returns through power over the entity.

The Interim Financial Report of MQA incorporates the assets and liabilities of the entities controlled by MARIL for the half year ended 30 June 2015, 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 Interim Financial Report of the MARL Group incorporates the assets and liabilities of the entities controlled by MARL for the half year ended 30 June 2015. 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 are exposed to, or have the right to, variable returns from their involvement with the entity and have the ability to affect those returns through their power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Groups.

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.

Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending upon the contractual rights and obligations each investor has, and the legal structure of the joint arrangement. The Groups have no joint operations and account for joint ventures using the equity method.

(d) Impairment of assets

The carrying amount of non-controlled investments 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.

1 Summary of significant accounting policies (continued)

(d) Impairment of assets (continued)

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. Periodically, 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.

(e) Performance fees

A performance fee is payable at 30 June each year in the event that the MQA security price outperforms its benchmark in that year after making up any carried forward underperformance. The performance fee is determined at 30 June and is payable in three equal annual instalments. The first instalment is payable immediately. The second and third instalments are payable on the first and second anniversaries of the calculation date if certain performance criteria are met.

Future potential performance fees relating to a performance fee period that has not yet concluded, and hence are contractually determined based on performance in the future, are accounted for in accordance with *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*.

Any performance fee determined at 30 June is accounted for in accordance with *AASB 137* until the instalment is no longer subject to future performance criteria, from which point the relevant instalment is recognised as a payable to the Adviser/Manager and accounted for as a liability in accordance with *AASB 139 Financial Instruments: Recognition and Measurement*. The liability is recognised at its fair value upon initial recognition.

(f) 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:

Impairment testing

In accordance with the accounting policy stated in Note 1(d), the carrying amount of non-controlled investments 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.

Provision for performance fees

In accordance with the accounting policy stated in Note 1(e), to determine the probability of payment of performance fee instalments which are still subject to future performance criteria, an assessment of the level of outperformance is undertaken.

Control assessment

Control is assessed for all of the Groups' investments by applying *AASB 10 Consolidated Financial Statements*. The Groups control an entity when the Groups are exposed to, or have the right to, variable returns from its involvement with the entity and have the ability to affect those returns through its power over the entity. Judgement is used when assessing an investment for control. For further information refer to Note 1(c).

(g) Accounting standards and interpretations issued but not yet effective

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.

1 Summary of significant accounting policies (continued)

(g) Accounting standards and interpretations issued not yet effective (continued)

AASB 9 Financial Instruments (effective for annual reporting periods beginning on or after 1 January 2018)

AASB 9 Financial Instruments addresses the classification, measurement, de-recognition of financial assets and financial liabilities and sets out new rules for hedge accounting. The standard is not applicable until 1 January 2018 but is available for early adoption. The Groups are assessing the new standard's impact and do not anticipate a significant impact on the Groups' Financial Reports on initial application.

AASB 15 Revenue from Contracts with Customers (effective from 1 January 2018)

The AASB issued *AASB 15 Revenue from Contracts with Customers*, which specifies how and when revenue is recognised, as well as requiring enhanced disclosures. When first applied, comparative information will need to be restated. The IASB has issued an exposure draft to defer the the mandatory effective date to 1 January 2018 and the AASB is expected to issue a similar amendment. The Groups are now expecting to first apply AASB 15 in the financial year beginning 1 January 2018.The Groups are assessing the new standard's impact and do not anticipate a significant direct impact on the Groups' Financial Reports on initial application.

AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations (effective from 1 January 2016)

The amendments to *AASB 11 Joint Arrangements* clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. AASB 2014-3 is effective for annual periods beginning on or after 1 January 2016. The Groups are assessing the impact of the amendment and do not anticipate a significant impact on the Groups' Financial Reports on initial application.

AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation (effective from 1 January 2016)

The AASB has amended *AASB 116, Property, Plant and Equipment* and *AASB 138, Intangible Assets* to clarify that a revenue-based method should not be used to calculate the depreciation of items of property, plant and equipment and amortisation of intangible assets with certain exceptions. AASB 2014-4 is effective for annual periods beginning on or after 1 January 2016. The Groups are assessing the impact of the amendment and do not anticipate a significant impact on the Groups' Financial Reports on initial application.

AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements (effective from 1 January 2016)

The AASB has made amendments to *AASB 127 Separate Financial Statements* to allow entities to use equity method in their separate financial statements to measure investments in subsidiaries, joint ventures and associates. AASB 2014-9 is effective for annual periods beginning on or after 1 January 2016. The Groups are assessing the impact of the amendment and anticipate a reduction in the disclosures required in the Groups' annual financial statements.

(i) 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.

(j) 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, unless otherwise indicated.

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for the half year ended 30 June 2015

2 Profit/(loss) for the half year

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

(i) Revenue

	MQA Half year ended 30 Jun 2015 $'000	MQA Half year ended 30 Jun 2014 $'000	**MARL Group** Half year ended 30 Jun 2015 $'000	MARL Group Half year ended 30 Jun 2014 $'000
Interest income:				
Related parties	**112**	37	**299**	507
Other persons and corporations	**266**	241	**266**	241
Total interest income	**378**	278	**565**	748
Other revenue:				
M6 Toll management fee income	**752**	751	**-**	-
Other income	**315**	-	**-**	-
Net foreign exchange gain/(loss)	**240**	(50)	**2**	(1)
Total other revenue	**1,307**	701	**2**	(1)
Total revenue	**1,685**	979	**567**	747

(ii) Operating expenses

	MQA Half year ended 30 Jun 2015 $'000	MQA Half year ended 30 Jun 2014 $'000	**MARL Group** Half year ended 30 Jun 2015 $'000	MARL Group Half year ended 30 Jun 2014 $'000
Cost of operations:				
Directors' fees	**453**	369	**289**	225
	453	369	**289**	225
Other operating expenses:				
Consulting and administration fees	**457**	409	**116**	153
Manager's and adviser's base fees	**12,042**	11,366	**923**	749
Manager's and adviser's performance fees	**-**	58,234	**-**	3,894
Other expenses	**550**	437	**258**	218
Total other operating expenses	**13,049**	70,446	**1,297**	5,014
Total operating expenses	**13,502**	70,815	**1,586**	5,239

3 Distributions

	MQA Half year ended 30 Jun 2015 $'000	MQA Half year ended 30 Jun 2014 $'000	**MARL Group** Half year ended 30 Jun 2015 $'000	MARL Group Half year ended 30 Jun 2014 $'000
Distributions paid during the half year				
Distribution paid on 31 March 2015*	**30,692**	**-**	**-**	**-**
Ordinary dividend paid on 4 April 2014	**-**	24,362	**-**	**-**
Total distributions paid during the half year	**30,692**	24,362	**-**	-

	Cents per stapled security	Cents per stapled security	**Cents per stapled security**	Cents per stapled security
Distributions paid during the half year				
Distribution per security paid on 31 March 2015*	**6.0**	**-**	**-**	**-**
Ordinary dividend per security paid on 4 April 2014	**-**	5.0	**-**	**-**

All of the distributions were paid in full by MARIL.
* This distribution comprised a capital return of 4.7 cps and an ordinary dividend of 1.3 cps.

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4 Investments accounted for using the equity method

	MQA	MQA	**MARL Group**	MARL Group
	As at 30 Jun 2015 $'000	As at 31 Dec 2014 $'000	**As at 30 Jun 2015 $'000**	As at 31 Dec 2014 $'000
Investments in associates & joint arrangements – equity method	**815,588**	835,431	**16,314**	16,456
	815,588	835,431	**16,314**	16,456

Information relating to associates and joint arrangements is set out below:

(a) Carrying amounts

Name of Entity[(1)]	Country of incorporation/ Principal Place of Business	Principal Activity	MQA Economic Interest	MQA	MQA	MARL Economic Interest	MARL Group	MARL Group
			As at 30 Jun 2015 and 31 Dec 2014 %	**As at 30 Jun 2015 $'000**	As at 31 Dec 2014 $'000	**As at 30 Jun 2015 and 31 Dec 2014 %**	**As at 30 Jun 2015 $'000**	As at 31 Dec 2014 $'000
Macquarie Autoroutes de France 2 SA	Luxembourg	Investment in toll road network located in the east of France (APRR)	**40.3**	**671,226**	691,261	**-**	**-**	**-**
Dulles Greenway Partnership[(2)]	USA	Investment in toll road located in northern Virginia, USA	**50.0**	**144,362**	144,170	**6.7**	**16,314**	16,456
Chicago Skyway Partnership	USA	Investment in toll road located south of Chicago, USA	**50.0**	**-**	-	**50.0**	**-**	**-**
Warnowquerung GmbH & Co KG ("WQG") (Limited Partnership) [(3)]	Germany	Investment in toll road located in Rostock, north-eastern Germany	**70.0**	**-**	-	**-**	-	-
Indiana Toll Road Partnership ("ITRP")	USA	Investment in toll road located in northern Indiana, USA	**0.0[(4)]**	**-**	-	**0.0 [(4)]**	-	-
Peregrine Motorways Limited	UK	Investment in toll road located in the West Midlands, UK	**0.0[(5)]**	**-**	-	**-**	-	-
				815,588	835,431		**16,314**	16,456

(1) Except for Macquarie Autoroutes de France 2 SA, all associates and joint arrangements are in "lockup" under their debt documents, meaning that they are currently unable to make distributions to MQA and the MARL Group. Dulles Greenway Partnership cannot come out of lockup before 2017 and is not expected to make a distribution to MQA before 2019.

(2) The MARL Group holds a 6.7% equity interest in Toll Road Investors Partnership II LP ("TRIP II"), the concessionaire for Dulles Greenway, through 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.

(3) A subsidiary of MARIL, European Transport Investments (UK) Limited ("ETIUK"), beneficially owns 70% of both the WQG Limited partnership and the General Partner ("GP") of the partnership which have contracted to build, own and operate a tolled tunnel in Rostock, Germany. The balance of 30% is held by Bouygues Travaux Publics SA ("BTP"). Per the agreement, any decisions made with regard to the relevant activities require 75% of the voting members to proceed meaning both partners have to agree. As a result, MQA's investment in WQG is classified as a Joint Venture.

(4) In October 2014, the operator of Indiana Toll Road received approval for its debt restructuring plan which permitted the sale of the business. MQA continues to legally own a 49% equity interest in Indiana Toll Road Partnership ("ITRP"), the holding vehicle of ITRCCH but was no longer exposed to any variable returns from the ongoing operations of the investment. Accordingly, MQA's economic interest in the ongoing operations of ITRP was nil at 31 December 2014. On 27 May 2015, financial close was reached on the sale of ITRCCH and subsequently, MQA received US$25 million (A$32.3 million) in distribution proceeds. MQA's legal and economic interest is nil and the historic losses of ITRP are no longer disclosed in Notes 4(d) and 4(e).

(5) On 4 June 2013, MQA deconsolidated Macquarie Motorways Group Limited ("MMG") (the previous holding company for the M6 Toll) and commenced equity accounting for its interest as an investment in an associate. A new entity, Peregrine Motorways Limited ("PML"), was incorporated on 2 August 2013 and inserted as the 100% owner of MMG. MQA legally owns a 100% ordinary equity interest in PML but is not expected to be exposed to any significant variable returns from the ongoing operations of this investment. As a result, at 30 June 2015 MQA's economic interest in PML is nil. However, MQA's representation and participation at Board level leads to significant influence over the asset and as such it is accounted for as an associate.

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4 Investment accounted for using the equity method (continued)

(b) Movement in carrying amounts

	MQA	MQA	**MARL Group**	MARL Group
	Half year ended 30 Jun 2015 $'000	Half year ended 30 Jun 2014 $'000	**Half year ended 30 Jun 2015 $'000**	Half year ended 30 Jun 2014 $'000
Carrying amount at the beginning of the half year	**835,431**	862,708	**16,456**	22,101
Impact of adoption of IFRIC 21	**(6,270)**	-	**-**	-
Share of profits/(losses) after income tax*	**68,348**	1,943	**31,193**	(6,182)
Distributions received/receivable	**(72,035)**	(39,588)	**(32,284)**	-
Foreign exchange movement	**(9,886)**	(47,686)	**949**	(986)
Transaction costs	**-**	78	**-**	-
Carrying amount at the end of the half year	**815,588**	777,455	**16,314**	14,933

* Included in the share of profits/(losses) after income tax for MQA and the MARL Group are fair value movements on interest rate swaps not subject to hedge accounting.

(c) Summarised financial information for material associates

The below tables provide summarised financial information for those associates that are material to the Groups. The information disclosed reflects the amounts presented in financial statements of the relevant entities and not the Groups' share of those amounts. They reflect adjustments made when using the equity method, including fair value adjustments and modifications for differences in accounting policies.

	Macquarie Autoroutes de France 2 SA (APRR)		**Dulles Greenway Partnership**	
Summarised Statement of Financial Position	**As at 30 Jun 2015 $'000**	As at 31 Dec 2014 $'000	**As at 30 Jun 2015 $'000**	As at 31 Dec 2014 $'000
Total current assets	**877,130**	2,003,634	**168,441**	194,730
Total non-current assets	**8,997,128**	9,436,563	**1,912,550**	1,822,912
Total current liabilities	**(1,601,212)**	(1,586,996)	**(88,303)**	(82,267)
Total non-current liabilities	**(6,770,496)**	(8,305,514)	**(1,525,594)**	(1,478,540)
Net assets	**1,502,550**	1,547,687	**467,094**	456,835
Reconciliation to carrying amounts:				
Opening net assets as at 1 January	**1,547,687**	1,729,431	**456,835**	447,752
Impact of adoption of IFRIC 21	**(15,564)**	-	**-**	-
Profit/(loss) for the period	**109,744**	129,489	**(16,295)**	(29,750)
Foreign exchange movement	**(139,317)**	(311,233)	**26,554**	38,833
Closing net assets	**1,502,550**	1,547,687	**467,094**	456,835
MQA's share in %	**40.3%**	40.3%	**50.0%**	50.0%
MQA's share in $	**605,317**	623,501	**233,547**	228,418
MARL Group's share in %	**-**	-	**6.7%**	6.7%
MARL Group's share in $	**-**	-	**31,295**	30,608
MQA's carrying amount	**671,226**	691,261	**144,362**	144,170
MARL Group's carrying amount	**-**	-	**16,314**	16,456

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4 Investments accounted for using the equity method (continued)

(c) Summarised financial information for associates (continued)

	Macquarie Autoroutes de France 2 SA (APRR)		Dulles Greenway Partnership	
Summarised Statement of Comprehensive Income	**Half year ended 30 Jun 2015 $'000**	Half year ended 30 Jun 2014 $'000	**Half year ended 30 Jun 2015 $'000**	Half year ended 30 Jun 2014 $'000
Revenue	**793,735**	853,524	**52,368**	41,744
Profit/(loss) for the half year	**109,744**	39,112	**(16,295)**	(16,374)
MQA's share in $	**44,212**	15,215	**(8,147)**	(8,187)
MARL Group's share in $	**-**	-	**(1,091)**	(1,097)
MQA's distributions received	**39,751**	39,588	**-**	-
MARL Group's distributions received	**-**	-	**-**	-

(d) Individually immaterial associates and joint arrangements

In addition to the interest in associates disclosed above the Groups also have interests in a number of individually immaterial associates and joint arrangements that are accounted for using the equity method.

	MQA	MQA	**MARL Group**	MARL Group
	Half year ended 30 Jun 2015 $'000	Half year ended 30 Jun 2014 $'000	**Half year ended 30 Jun 2015 $'000**	Half year ended 30 Jun 2014 $'000
Aggregate carrying amount of individually immaterial associates	-	**-**	-	**-**
Aggregate amounts of the Group's share of:				
Loss from operations for the half year	**(13,823)**	(10,739)	**(13,823)**	(10,739)
Total comprehensive loss	**(13,823)**	(10,739)	**(13,823)**	(10,739)
Aggregate carrying amount of individually immaterial joint arrangements	**-**	-	**-**	-
Aggregate amounts of the Group's share of:				
Loss from operations for the half year	**(1,468)**	(1,637)	**-**	-
Total comprehensive loss	**(1,468)**	(1,637)	**-**	-

*(e) Share of associates' and joint arrangements' losses not brought to account**

	MQA	MQA	**MARL Group**	MARL Group
	Half year ended 30 Jun 2015 $'000	Half year ended 30 Jun 2014 $'000	**Half year ended 30 Jun 2015 $'000**	Half year ended 30 Jun 2014 $'000
Share of associates' losses not brought to account				
Balance at the beginning of the half year	**(5,394)**	-	**(5,394)**	-
Share of losses not brought to account	**(13,823)**	(10,739)	**(13,823)**	(10,739)
Balance at the end of the half year	**(19,217)**	(10,739)	**(19,217)**	(10,739)
Share of joint arrangements' losses not brought to account				
Balance at the beginning of the half year	**(19,036)**	(15,827)	**-**	-
Share of losses not brought to account	**(1,468)**	(1,637)	**-**	-
Balance at the end of the half year	**(20,504)**	(17,464)	**-**	-

* Accounted for using the equity method.

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5 Payables and provisions

	MQA **As at** **30 Jun 2015** **$'000**	MQA As at 31 Dec 2014 $'000	**MARL Group** **As at** **30 Jun 2015** **$'000**	MARL Group As at 31 Dec 2014 $'000
Current				
Manager and adviser fees payable	**6,031**	5,814	**463**	397
Manager and adviser performance fees payable (i)	**19,400**	19,400	**1,287**	1,287
Sundry creditors and accruals	**747**	721	**357**	336
Payable to related parties	**-**	-	**-**	3
Total current payables and provisions	**26,178**	25,935	**2,107**	2,023
Non current				
Provision for manager and adviser performance fees (i)	**19,400**	19,400	**1,287**	1,287
Total non-current payables and provisions	**19,400**	19,400	**1,287**	1,287

(i) In accordance with MARIL and MARL's advisory and management agreements (the "Agreements") with Macquarie Fund Advisers Pty Limited ("MFA"), a performance fee calculation is performed for 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. Any performance fee calculated is payable in three equal annual instalments, provided MQA meets certain performance criteria at each instalment date.

For the year ended 30 June 2015, MQA did not meet the performance criteria for a new performance fee to be incurred.

For the year ended 30 June 2014, a total performance fee of $58.2 million (excluding GST) was calculated for MQA. The first instalment of $19.4 million (excluding GST) was applied to a subscription for new MQA securities in September 2014. The second instalment of $19.4 million (excluding GST) is payable at 30 June 2015, and was also applied to a subscription for new MQA securities in July 2015. The third instalment of $19.4 million will become payable should the performance criteria be met at 30 June 2016.

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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 2015 $'000	As at 31 Dec 2014 $'000	**As at 30 Jun 2015 $'000**	As at 31 Dec 2014 $'000
Ordinary shares	**1,386,088**	1,410,130	**205,552**	205,552
Contributed equity	**1,386,088**	1,410,130	**205,552**	205,552

	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 2015 $'000	Year ended 31 Dec 2014 $'000	**Half year ended 30 Jun 2015 $'000**	Year ended 31 Dec 2014 $'000
On issue at the beginning of the half/full year	**1,410,130**	1,369,408	**205,552**	200,330
Application of performance fees to subscription for new securities*	**-**	18,113	**-**	1,287
Issue of securities (net of transaction costs)	**-**	55,348	**-**	3,935
Capital return	**(24,042)**	(32,739)	**-**	-
On issue at the end of the half/full year	**1,386,088**	1,410,130	**205,552**	205,552

	Number of shares '000	Number of shares '000	**Number of shares '000**	Number of shares '000
On issue at the beginning of the half/full year	**511,539**	487,231	**511,539**	487,231
Application of performance fees to subscription for new securities*	**-**	5,847	**-**	5,847
Issue of securities	**-**	18,461	**-**	18,461
On issue at the end of the half/full year	**511,539**	511,539	**511,539**	511,539

* During the year ended 31 December 2014, the first instalment of the June 2014 performance fee, totalling $19.4 million became payable. $18.1 million was applied to a subscription for new MARIL securities and $1.3 million was applied to a subscription for new MARL securities.

7 Reserves

	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 2015 $'000	Year ended 31 Dec 2014 $'000	**Half year ended 30 Jun 2015 $'000**	Year ended 31 Dec 2014 $'000
Movements of reserves				
Foreign currency translation reserve				
Balance at the beginning of the half/full year	**22,991**	38,745	**(11,164)**	(12,437)
Net exchange differences on translation of foreign controlled entities	**(10,725)**	(15,754)	**1,008**	1,273
Balance at the end of the half/full year	**12,266**	22,991	**(10,156)**	(11,164)

8 Accumulated losses

	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 2015 $'000	Year ended 31 Dec 2014 $'000	**Half year ended 30 Jun 2015 $'000**	Year ended 31 Dec 2014 $'000
Balance at the beginning of the half/full year	**(657,029)**	(585,267)	**(147,587)**	(135,219)
Adjustment in opening accumulated losses on adoption of IFRIC 21	**(6,270)**	-	**-**	-
Profit/(loss) attributable to shareholders	**26,352**	(38,193)	**13,932**	(12,368)
Dividends paid	**(6,650)**	(33,569)	**-**	-
Balance at the end of the half/full year	**(643,597)**	(657,029)	**(133,655)**	(147,587)

9 Segment information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the MQA Boards. However, the MQA boards do not manage the day to day activities of the business. The directors have appointed MFA to run and manage the ongoing operations of the business and pay a quarterly management fee in return for these services.

The MQA Boards consider the business from the aspect of each of the toll road portfolio assets and have identified four and two operating segments for MQA and the MARL Group respectively. The segments of MQA are the investments in APRR, Dulles Greenway, Chicago Skyway and Warnow Tunnel. The segments of the MARL Group are the investments in Dulles Greenway and Chicago Skyway. Following the deconsolidation of M6 Toll and the sale of Indiana Toll Road, these assets are no longer considered operating segments by the MQA Boards (refer to note 4).

The operating segment note discloses the segment revenue and segment EBITDA for the half year ended 30 June 2015 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 2015, based on MQA's economic ownership is as follows:

	APRR	**Dulles Greenway**	**Chicago Skyway**	**Warnow Tunnel**	**Total MQA**
MQA	**Half year ended 30 Jun 2015 $'000**	**Half year ended 30 Jun 2015 $'000**	**Half year ended 30 Jun 2015 $'000**	**Half year ended 30 Jun 2015 $'000**	**Half year ended 30 Jun 2015 $'000**
Segment revenue	**303,777**	**26,197**	**12,325**	**4,670**	**346,969**
Segment expenses	**(76,582)**	**(5,743)**	**(1,590)**	**(1,540)**	**(85,455)**
Segment EBITDA	**227,195**	**20,454**	**10,735**	**3,130**	**261,514**
EBITDA margin	**75%**	**78%**	**87%**	**67%**	**75%**

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 2014, based on MQA's effective economic ownership is as follows:

	APRR	Dulles Greenway	Chicago Skyway	Warnow Tunnel	Total MQA
MQA	Half year ended 30 Jun 2014 $'000	Half year ended 30 Jun 2014 $'000	Half year ended 30 Jun 2014 $'000	Half year ended 30 Jun 2014 $'000	Half year ended 30 Jun 2014 $'000
Segment revenue	299,749	20,872	9,167	4,667	334,455
Segment expenses	(87,035)	(4,579)	(1,157)	(1,391)	(94,162)
Segment EBITDA	212,714	16,293	8,010	3,276	240,293
EBITDA margin	71%	78%	87%	70%	72%

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 2015, based on the MARL Group's effective economic ownership interests is as follows:

MARL Group	**Dulles Greenway** Half year ended 30 Jun 2015 $'000	**Chicago Skyway** Half year ended 30 Jun 2015 $'000	**Total MARL Group** Half year ended 30 Jun 2015 $'000
Segment revenue	**3,510**	**12,325**	**15,835**
Segment expenses	**(770)**	**(1,590)**	**(2,360)**
Segment EBITDA	**2,740**	**10,735**	**13,475**
EBITDA margin	**78%**	**87%**	**85%**

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 2014, based on the MARL Group's effective economic ownership interest is as follows:

MARL Group	Dulles Greenway Half year ended 30 Jun 2014 $'000	Chicago Skyway Half year ended 30 Jun 2014 $'000	Total MARL Group Half year ended 30 Jun 2014 $'000
Segment revenue	2,797	9,167	11,964
Segment expenses	(614)	(1,157)	(1,771)
Segment EBITDA	2,183	8,010	10,193
EBITDA margin	78%	87%	85%

A reconciliation of MQA and the MARL Group's segment revenue and EBITDA to its total revenue and profit/(loss) from operations before income tax is provided as follows:

	MQA **Half year ended 30 Jun 2015 $'000**	MQA Half year ended 30 Jun 2014 $'000	**MARL Group** **Half year ended 30 Jun 2015 $'000**	MARL Group Half year ended 30 Jun 2014 $'000
Reconciliation of segment revenue to revenue				
Segment revenue	**346,969**	334,455	**15,835**	11,964
Revenue attributable to investments accounted for under the equity method*	**(346,969)**	(334,455)	**(15,835)**	(11,964)
Unallocated corporate revenue	**1,685**	979	**567**	747
Total revenue from operations	**1,685**	979	**567**	747
Reconciliation of segment EBITDA to profit/(loss) from operations before income tax				
Segment EBITDA	**261,514**	240,293	**13,475**	10,193
EBITDA attributable to investments accounted for under the equity method*	**(261,514)**	(240,293)	**(13,475)**	(10,193)
Unallocated corporate revenue	**1,685**	979	**567**	747
Unallocated corporate expenses	**(13,502)**	(70,815)	**(1,586)**	(5,239)
Share of net profit/(loss) of investments accounted for using the equity method	**68,348**	1,943	**31,193**	(6,182)
Profit/(loss) from operations before income tax	**56,531**	(67,893)	**30,174**	(10,674)

* Revenue and EBITDA attributable to investments accounted for under the equity method is included within the "Share of net profits/(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 Fair value measurement of financial instruments

The fair value of all financial assets (excluding investments accounted for using the equity method) and financial liabilities approximates their carrying value at the date of the Interim Financial Report.

11 Contingent liabilities and commitments

MQA had the following contingent liabilities and commitments at 30 June 2015. No provisions have been raised against these items unless stated below.

Warnow Tunnel

ETIUK, a subsidiary of MARIL, has made two separate guarantees, totalling €1.2 million ($1.7 million) (31 December 2014: €1.2 million ($1.8 million)), in the event of a senior debt payment event of default by WQG, 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 pledged cash account into which €1.2 million ($1.7 million) (31 December 2014: €1.2 million ($1.8 million)) has been deposited. These restricted funds are presented in the balance sheet as cash not available for use.

Acquisition of additional stake in APRR – contingent consideration

Following the acquisition in July 2014 of an additional 1.41% interest in Macquarie Autoroutes de France 2 SA, further contingent consideration up to a maximum €5.1m ($7.4 million) (June 2014: $nil) may become payable depending on certain operational assumptions being realised by 31 December 2015.

12 Events occurring after balance sheet date

On 2 July 2015, as permitted under MARIL's and MARL's advisory and management agreements with MFA, MFA and MQA's independent directors agreed that the second instalment of the June 2014 Manager and Adviser performance fee of $19.4 million (excluding GST) (which became payable at 30 June 2015) would be applied to a subscription for new MQA securities at a price of $3.262724 per security. Accordingly, 5,946,098 MQA securities were issued to assignee of MFA on 2 July 2015.

On 23 August 2015 the in-principle agreement with the French State was formalised by way of amendments to the APRR and AREA concession contracts. MQA is now liable to pay additional consideration (relating to the July 2014 purchase of its 1.41% interest in Macquarie Autoroutes de France 2 SA) up to a maximum of €5.1 million, subject to ongoing operational assumptions (refer Note 11).

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 2015.

Interim Financial Report
for the half year ended 30 June 2015

Directors' Declaration – Macquarie Atlas Roads International Limited

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

a) the Interim Financial Report of MARIL and its controlled entities ("MQA") and notes set out on pages 9 to 26:

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

   ii) give a true and fair view of the financial position of MQA as at 30 June 2015 and of its performance for the half year ended on that date; 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.

The Directors confirm that the Interim Financial Report also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

Jeffrey Conyers
Chairman
Macquarie Atlas Roads International Limited
Pembroke, Bermuda
26 August 2015

Derek Stapley
Director
Macquarie Atlas Roads International Limited
Pembroke, Bermuda
26 August 2015

Directors' Declaration – Macquarie Atlas Roads Limited

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

a) the Interim Financial Report of MARL and its controlled entities (the "MARL Group") and notes set out on pages 9 to 26 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 2015 and of its performance for the half year ended as on that date; 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.

The Directors confirm that the Interim Financial Report also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declaration by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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

Nora Scheinkestel
Chairman
Macquarie Atlas Roads Limited
Sydney, Australia
26 August 2015

Richard England
Director
Macquarie Atlas Roads Limited
Sydney, Australia
26 August 2015

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 Report

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 2015 and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and consolidated statements of cash flows for the interim period ended on that date, selected explanatory notes and the directors' declarations for Macquarie Atlas Roads International Limited and Macquarie Atlas Roads Limited. Macquarie Atlas Roads ("MQA") comprises Macquarie Atlas Roads International Limited and the entities it controlled during the period, and Macquarie Atlas Roads Limited and the entities it controlled during the period. Macquarie Atlas Roads Limited Group ("MARL Group") comprises Macquarie Atlas Roads Limited and the entities it controlled during the interim period.

Directors' responsibility for the interim financial report

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 2015 and of their performance for the interim period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* (as applicable). As the auditor of Macquarie Atlas Roads International Limited and Macquarie Atlas Roads Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of 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.

PricewaterhouseCoopers, ABN 52 780 433 757

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Independence

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

Conclusion

Based on our reviews, which is not an audit, we have not become aware of any matters 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 2015 and of their performance for the interim period ended on that date; and

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

Pricewaterhouse Coopers

PricewaterhouseCoopers

C Stafford

Craig Stafford
Partner

Sydney
26 August 2015

PricewaterhouseCoopers, ABN 52 780 433 757

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