MACQUARIE ATLAS ROADS

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

This report comprises:

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

Financial Report

for the year ended 31 December 2011

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

None of the entities noted in this report is an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of Macquarie Bank Limited (ABN 46 008 583 542) (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities.

This report is not an offer or invitation for subscription or purchase of or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making an investment in MQA, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

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

Any arithmetic inconsistencies are due to rounding.

Financial Report
for the year ended 31 December 2011

Contents

Directors' Report

for the year ended 31 December 2011

Directors' Report

The directors of Macquarie Atlas Roads International Limited (MARIL) submit the following report together with the Financial Report of Macquarie Atlas Roads (MQA) for the year ended 31 December 2011. *AASB 3 Business Combinations* and *AASB 127 Consolidated and Separate Financial Statements* require one of the stapled entities of a stapled structure to be identified as the parent entity for the purpose of preparing a consolidated 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 year ended 31 December 2011.

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

Principal Activities

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

Directors

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

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

Dividends

No dividend was paid or declared by MARIL or MARL for the year ended 31 December 2011.

Review and Results of Operations

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

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

Directors' Report
for the year ended 31 December 2011

Review and Results of Operations (continued)

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

	MQA Year ended 31 Dec 2011 $'000	MQA Period ended 31 Dec 2010 $'000	**MARL Group Year ended 31 Dec 2011 $'000**	MARL Group Period ended 31 Dec 2010 $'000
Revenue and other income from continuing operations	**91,889**	103,113	**1,800**	1,400
Loss from continuing operations after income tax benefit	**(289,489)**	(227,646)	**(62,028)**	(74,949)
Profit from discontinued operations	**-**	746	**-**	746
Loss for the year/period	**(289,489)**	(226,900)	**(62,028)**	(74,203)
Loss attributable to:				
Equity holders of the parent – MARIL	**(227,461)**	(68,285)	**-**	-
Equity holders of other stapled entity – MARL (as non controlling interest/parent entity)	**(62,028)**	(74,203)	**(62,028)**	(74,203)
Stapled security holders	**(289,489)**	(142,488)	**(62,028)**	(74,203)
Other non-controlling interests	**-**	(84,412)	**-**	-
	(289,489)	(226,900)	**(62,028)**	(74,203)
	Cents	Cents	**Cents**	Cents
Basic loss from continuing operations per MARIL/MARL share	**(49.84)**	(15.10)	**(13.59)**	(16.57)
Basic loss per MARIL/MARL share	**(49.84)**	(15.10)	**(13.59)**	(16.41)

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 is disclosed as share of net losses of investments accounted for using the equity method.

MQA's loss from continuing activities after tax for the year ended 31 December 2011 was $289.5 million (2010: $226.9 million). The increase in the loss for the period reflects the following significant movements:

- Share of net losses of investments accounted for using the equity method of $90.3 million (2010: $208.7 million). MQA's share of net losses comprises the following: Autoroutes Paris-Rhine-Rhône (APRR) loss of $21.6 million (2010: loss of $119.1 million), Dulles Greenway loss of $18.2 million (2010: loss of $20.3 million), Chicago Skyway loss of $50.5 million (2010: loss of $35.5 million), Indiana Toll Road $nil (2010: loss of $32.6 million) and Warnow Tunnel $nil (2010: loss of $1.2 million).

  The decrease in the share of net losses of investments accounted for using the equity method is primarily due to the following:

  (i) The carrying values of both Indiana Toll Road and Warnow Tunnel were $nil at 31 December 2010 and consequently no further losses have been brought to account in relation to these investments during this period; and

  (ii) The results include fair value losses on interest rate swaps of $70.1 million for the year ended 31 December 2011 compared to fair value losses of $104.6 million in the period ended 31 December 2010. The majority of the fair value gains/losses on interest rate swaps are taken through reserves (accounted for as effective hedges) at the non-controlled asset level. Derivative instruments are recorded at fair value which can result in significant volatility in a given period as market expectations of interest rates fluctuate.

- Other operating costs of $206.7million (2010: $96.4 million) have increased mainly due to an increase in Manager's and Adviser's base fees and performance fees to $64.5 million in the year ended 31 December 2011 (31 December 2010: $22.9 million) and also due to a provision for impairment on non-controlled investments of $67.4 million (2010:$nil). During the year ended 31 December 2011 MQA recognised the full 30 June 2011 performance fee, including instalments which may become payable in future periods.

- In the period to 31 December 2010 Eiffarie SAS, an associate of MQA, acquired a further 13.73% interest in APRR from minority shareholders and as a consequence MQA ceased to control certain subsidiaries and recognised a gain on deconsolidation of $54.0 million.

Directors' Report
for the year ended 31 December 2011

Significant Changes in State of Affairs

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

Events Occurring after Balance Sheet Date

On 20 February 2012 Eiffarie SAS, the holding company for MQA and its co-investors' interest in the French motorway network Autoroutes Paris-Rhin-Rhône (APRR), signed a €2.765 billion five-year term loan with a syndicate of international banks. Proceeds of the new loan, together with proceeds from the interim dividend declared by APRR on 3 February 2012, will be applied towards the full repayment of Eiffarie's existing €3.8 billion debt facility, due to mature in February 2013.

In addition, APRR signed a €720 million revolving credit facility, which will replace its existing undrawn credit facilities.

These transactions have no impact on the carrying value of MQA's investment in Macquarie Autoroutes de France 2 SA, an associate of MQA, through which it holds its investment in Eiffarie SAS, at 31 December 2011.

Since balance date, the directors of MARIL and MARL are not aware of any other matter or circumstance not otherwise dealt with in the Directors' Report that has significantly affected or may significantly affect the operations of the Groups, the results of those operations or the state of affairs of the Groups in years subsequent to the year ended 31 December 2011.

Likely Developments and Expected Results of Operations

Further information on likely developments relating to the operations of the Groups in future years and the expected results of those operations have not been included in this report because the directors of MARL and MARIL believe it would be likely to result in unreasonable prejudice to the Groups.

Indemnification and Insurance of Officers and Auditors

During the year, MARL and MARIL paid premiums of $126,062 each to insure the directors and officers of MARL and MARIL. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the directors and officers in their capacity as directors and officers of MARL and MARIL and any other payments arising from liabilities incurred by the directors and officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the directors and officers or the improper use by the directors and officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to MARL or MARIL. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities. So long as the directors and officers of MARL and MARIL act in accordance with the Constitutions and the law, the directors and officers remain indemnified out of the assets of the Groups against any losses incurred while acting on behalf of the Groups.

The auditors of the Groups are in no way indemnified out of the assets of the Groups.

Environmental Regulation

The operations of the underlying assets in which the Groups invest are subject to environmental regulations particular to the countries in which they are located.

The following environmental regulations apply to MQA's controlled assets:

United Kingdom

Midland Expressway Limited constructed the M6 Toll road under a series of orders made in 1998 by the Secretary of State for Transport pursuant to his powers under the Highways Act 1980 and the New Roads and Street Works Act 1991. Prior to that, the M6 Toll had been the subject of a full environmental impact assessment that was considered in detail at a public inquiry held in 1994 and 1995. The public inquiry produced a list of specific environmental commitments and undertakings. There have been no significant breaches of the environmental legislation, commitments or undertakings.

Directors' Report
for the year ended 31 December 2011

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

Additional Specific MARL Disclosures

The following information is only required to be disclosed for the directors of MARL as MARL is an Australian entity that is required to comply with the *Corporations Act 2001.* The *Corporations Act 2001* does not apply to MARIL, a Bermudian entity, and consequently information is not provided for MARIL.

Information on Directors

	Experience and Directorships	Special Responsibilities	Particulars of director's interests in MQA stapled securities as at 31 Dec 2011	Particulars of director's interests in MQA stapled securities as at 31 Dec 2010
MARL Chairman David Walsh	*Experience:* Corporate and commercial lawyer and former partner of Mallesons Stephen Jaques. Currently chairman of Templeton Global Growth Fund Limited. *Other current directorships:* Macquarie Atlas Roads International Limited and no other listed entities. *Former Directorships in last 3 years:* Intoll Management Limited, the responsible entity for Intoll Group (Delisted) and Dyno Nobel Limited, and no other listed entities.	-	**7,000***	7,000*
John Roberts	*Experience:* Joined the Macquarie Group in 1991, is the Executive Chairman of the Macquarie Funds Group which includes the activity of the Macquarie Infrastructure and Real Assets Division. Serves on the Boards and Investment Committees of a number of Macquarie managed infrastructure entities. Previous roles within Macquarie include Head of Europe, joint head of Macquarie Capital Advisers and Global Head of Macquarie Capital Funds. *Other current directorships:* Sydney Airports Limited, AMPCI Macquarie Infrastructure Management No. 1 Limited, AMPCI Macquarie Infrastructure Management No. 2 Limited, DUET Investment Holdings Limited. Macquarie Infrastructure Company Inc. and no other listed entities. *Former Directorships in last 3 years:* Southern Cross Media Group Limited, Macquarie International Infrastructure Fund Limited and no other listed entities.	-	**46,108***	46,108*
Independent Director Richard England	*Experience:* Fellow of the Institute of Chartered Accountants and a Member of the Australian Institute of Company Directors. Former partner of Ernst & Young (Australia). *Other current directorships:* Ruralco Holdings Limited, Nanosonics Limited, Chandler MacLeod Group and no other listed entities. *Former Directorships in last 3 years:* St George Bank Limited, Healthscope Limited, Choiseul Investment Limited (Delisted) and no other listed entities.	Chairman of Audit and Risk Committee, Remuneration Committee and Nominations Committee	**30,000**	-

* Acquired on the demerger of MIG

Directors' Report
for the year ended 31 December 2011

Information on Directors (continued)

	Experience and Directorships	Special Responsibilities	Particulars of director's interests in MQA stapled securities as at 31 Dec 2011	Particulars of director's interests in MQA stapled securities as at 31 Dec 2010
MARL Independent Director Marc de Cure	*Experience:* Chair of the Australian Institute for Population Aging Research and a member of the Advisory Council of UNSW Australian School of Business. Formerly the Chief Financial Officer of American International Assurance Company Ltd Group in Hong Kong, the Chief Financial Officer of AMP Group Limited, Executive Chair of GIO Australia Group, Executive Director of Henderson plc and a number of other senior executive positions at AMP Limited. Former Principal Advisor of Bain & Co and a senior partner at PricewaterhouseCoopers until 2000. *Other Current Directorships:* No other listed entities *Former Directorships in last 3 years:* Director of MARL between 1 June 2010 and 1 November 2010 and no other listed entities.	-	**-**	-
Independent Director Jeffrey Conyers (Resigned 3 August 2011)	*Experience:* A founding executive council member and deputy chairman of the Bermuda Stock Exchange and the former chief executive officer of First Bermuda Group Limited. Jeffrey is also a director of numerous other companies in Bermuda and acts as consultant to First Bermuda Group Limited. *Other current directorships*: Macquarie Atlas Roads International Limited and no other listed entities. Former *Directorships in last 3 years:* MAp Airports International Limited, Intoll International Limited (Delisted) and no other listed entities.	-	**40,000**	30,000

MARL Company Secretaries

The Company Secretaries of MARL are Ms Christine Williams and Mr Kean Hao Lim and both are practising solicitors. Ms Christine Williams is an Executive Director and Mr Kean Hao Lim is an Associate Director of Macquarie Group Limited group (Macquarie Group).

Meetings of MARL Directors

The number of meetings of the MARL board of directors and of the Audit and Risk Committee held during the year ended 31 December 2011, and the numbers of meetings attended by each director were:

	Meetings of Directors		Meetings of Audit and Risk Committee	
MARL Director	**Meetings held**	**Meetings attended**	**Meetings held**	**Meetings attended**
David Walsh (Chairman)	8	8	5	5
John Roberts	8	7	n/a	n/a
Richard England	8	8	5	5
Marc de Cure*	3^	3	2^	2
Jeffrey Conyers**	5^	5	3^	3

* Appointed to board of directors and Audit and Risk Committee on 3 August 2011

** No longer a current director of MARL

^ Meetings held during appointment as MARL director

Directors' Report
for the year ended 31 December 2011

MARL Remuneration Report (audited)

The remuneration report is set out under the following main headings:

— Principles used to determine the nature and amount of remuneration

— Details of remuneration

— Service agreements

The information provided under the headings listed above includes remuneration disclosures that are required under Accounting Standard AASB 124 *Related Party Disclosures*. These disclosures have been transferred from the financial report and have been audited.

The information provided in this remuneration report has been audited as required by s308(3c) of the *Corporations Act 2001*.

Principles used to determine the nature and amount of remuneration (audited)

The remuneration paid to directors who are not employees of Macquarie Group is determined by reference to current market rates for directorships of similar entities. The level of remuneration is not related to the performance of MARL. Refer to remuneration of non-executive directors for further information.

Non-executive directors

The MARL constitution provides that directors (other than the managing or executive directors) are entitled to remuneration in aggregate not exceeding $1,000,000 per annum. For the year ended 31 December 2011 independent directors were entitled to director's fees per the remuneration table on page 9.

MARL non-executive directors are not entitled to MQA options or securities or to retirement benefits as part of their remuneration package.

Executives

MARL does not pay any remuneration to company executives.

Details of remuneration (audited)

Remuneration of directors

	MARL Group Year ended 31 Dec 11 Director's fees $	MARL Group Period ended 31 Dec 10 Director's fees $
MARL Non-executive Directors		
David Walsh (Chairman)	**185,000**	168,556
Mark Johnson	**-**	41,087
David Mortimer	**-**	46,017
John Roberts	**-**	-
Richard England	**140,000**	81,538
Marc de Cure	**51,291**	52,422
Jeffrey Conyers	**28,085**	7,972
	404,376	397,592

No other payments, other than disclosed in the table above, were made by the MARL Group to any of the MARL directors during their year/period of director's service.

Service agreements (audited)

Remuneration for the directors is formalised in service agreements. Upon termination of the service agreements, directors are not entitled to any payments, other than directors' fees payable up until the date of termination. Termination is governed by the terms of the service agreement and the constitution of MARL.

Loans to directors and executives

There were no loans to directors and executives.

Directors' Report
for the year ended 31 December 2011

Share options granted to directors

No options over unissued ordinary securities of MQA exist nor were granted to directors at 31 December 2011.

Directors' holdings of stapled securities

Refer to the Information on Directors on page 7.

MARL Non-Audit Services

The MARL Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with MARL and/or the MARL Group are important.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for non-audit services provided during the year are set out on page 10.

The board of directors has considered the position and, in accordance with the advice received from the Audit and Risk Committee is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

— all non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and

— none of the services undermine the general principles relating to auditor independence as set out in APES 110: Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

	MARL Group Year ended 31 Dec 11 $	MARL Group Period ended 31 Dec 10 $
Taxation services		
PricewaterhouseCoopers Australian firm	**14,600**	37,408
PricewaterhouseCoopers Overseas firm	**154,777**	29,120
Total remuneration for taxation services	**169,377**	66,528
Other services		
PricewaterhouseCoopers Australian firm	**14,500**	35,500
Total remuneration for other services	**14,500**	35,500
Total	**183,877**	102,028

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 12.

Directors' Report
for the year ended 31 December 2011

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

Jeffrey Conyers
Chairman
Macquarie Atlas Roads International Limited
Pembroke, Bermuda
28 February 2012

Derek Stapley
Director
Macquarie Atlas Roads International Limited
Pembroke, Bermuda
28 February 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 February 2012

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

Auditor's Independence Declaration

As lead auditor for the audit of Macquarie Atlas Roads Limited for the year ended 30 December 2011, I declare that to the best of my knowledge and belief, there have been:

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

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

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

Wayne Andrews

Wayne Andrews
Partner
PricewaterhouseCoopers

Sydney
29 February 2012

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Financial Report
for the year ended 31 December 2011

Consolidated Statements of Comprehensive Income

	Note	MQA Year ended 31 Dec 2011 $'000	MQA Period ended 31 Dec 2010 $'000	MARL Group Year ended 31 Dec 2011 $'000	MARL Group Period ended 31 Dec 2010 $'000
Revenue and other income from continuing operations					
Revenue from continuing operations		**91,850**	103,113	**1,800**	1,400
Other income from continuing operations		**39**	-	**-**	-
Total revenue and other income from continuing operations	2(i)	**91,889**	103,113	**1,800**	1,400
Operating expenses from continuing operations					
Finance costs		**(102,642)**	(95,619)	**-**	-
Other operating expenses		**(206,679)**	(96,399)	**(10,970)**	(6,789)
Total operating expenses from continuing operations	2(ii)	**(309,321)**	(192,018)	**(10,970)**	(6,789)
Share of net loss of investments accounted for using the equity method	9	**(90,331)**	(208,755)	**(52,970)**	(70,868)
Gain on deconsolidation	2(ii)	**-**	54,018	**-**	-
Loss from continuing operations before income tax benefit		**(307,763)**	(243,642)	**(62,140)**	(76,257)
Income tax benefit	3	**18,274**	15,996	**112**	1,308
Loss from continuing operations after income tax benefit		**(289,489)**	(227,646)	**(62,028)**	(74,949)
Profit from discontinued operations	4	**-**	746	**-**	746
Loss for the year/period		**(289,489)**	(226,900)	**(62,028)**	(74,203)
Other comprehensive income					
Exchange differences on translation of foreign operations		**(11,400)**	92,849	(581)	(11,772)
Cash flow hedges, net of tax		**(315,998)**	(43,879)	-	-
Other comprehensive income for the year/period, net of tax		**(327,398)**	48,970	**(581)**	(11,772)
Total comprehensive income for the year/period		**(616,887)**	(177,930)	**(62,609)**	(85,975)
Loss attributable to:					
Equity holders of the parent entity – MARIL		**(227,461)**	(68,285)	**-**	-
Equity holders of other stapled entity – MARL (as non-controlling interest/ parent entity)		**(62,028)**	(74,203)	**(62,028)**	(74,203)
Stapled security holders		**(289,489)**	(142,488)	**(62,028)**	(74,203)
Other non-controlling interest		**-**	(84,412)	**-**	-
		(289,489)	(226,900)	**(62,028)**	(74,203)
Total comprehensive income attributable to:					
Equity holders of the parent entity – MARIL		**(554,278)**	4,526	**-**	-
Equity holder of other stapled entity – MARL (as non-controlling interest/ parent entity)		**(62,609)**	(85,975)	**(62,609)**	(85,975)
Stapled security holders		**(616,887)**	(81,449)	**(62,609)**	(85,975)
Other non-controlling interest		**-**	(96,481)	**-**	-
		(616,887)	(177,930)	**(62,609)**	(85,975)

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

Financial Report
for the year ended 31 December 2011

Consolidated Statements of Comprehensive Income (continued)

	Note	MQA Year ended 31 Dec 2011 Cents	MQA Period ended 31 Dec 2010 Cents	MARL Group Year ended 31 Dec 2011 Cents	MARL Group Period ended 31 Dec 2010 Cents
Loss from continuing operations per share attributable to MARIL/MARL shareholders					
Basic loss from continuing operations per share attributable to:					
MARIL (as parent entity)	23	**(49.84)**	(15.10)	**-**	-
MARL (as parent entity)	23	**-**	-	**(13.59)**	(16.57)
Loss per share attributable to MARIL/MARL shareholders					
Basic loss per share attributable to:					
MARIL (as parent entity)	23	**(49.84)**	(15.10)	**-**	-
MARL (as parent entity)	23	**-**	-	**(13.59)**	(16.41)

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

Financial Report
for the year ended 31 December 2011

Consolidated Statements of Financial Position

	Note	**MQA** **As at 31 Dec 2011 $'000**	MQA As at 31 Dec 2010 $'000	**MARL Group** **As at 31 Dec 2011 $'000**	MARL Group As at 31 Dec 2010 $'000
Current assets					
Cash and cash equivalents	6	**56,114**	66,047	**7,967**	7,015
Receivables	7	**6,966**	8,343	**7,348**	8,937
Prepayments	8	**953**	998	**31**	10
Total current assets		**64,033**	75,388	**15,346**	15,962
Non-current assets					
Receivables	7	**-**	-	**18,917**	18,917
Investments accounted for using the equity method	9	**753,412**	931,068	**18,608**	75,499
Property, plant and equipment	10	**742,209**	773,195	**-**	-
Tolling concessions	11	**70,255**	72,317	**-**	-
Total non-current assets		**1,565,876**	1,776,580	**37,525**	94,416
Total assets		**1,629,909**	1,851,968	**52,871**	110,378
Current liabilities					
Payables	14	**(51,054)**	(34,528)	**(2,960)**	(1,268)
Interest-bearing financial liabilities	16	**(3,803)**	-	**-**	-
Derivative financial instruments	15	**(34,094)**	(34,299)	**-**	-
Total current liabilities		**(88,951)**	(68,827)	**(2,960)**	(1,268)
Non-current liabilities					
Payables	14	**(174,891)**	(152,037)	**(1,714)**	(445)
Interest-bearing financial liabilities	16	**(1,760,943)**	(1,726,056)	**-**	-
Derivative financial instruments	15	**(394,580)**	(79,188)	**-**	-
Deferred tax liabilities	17	**(31,862)**	(51,152)	**-**	-
Total non-current liabilities		**(2,362,276)**	(2,008,433)	**(1,714)**	(445)
Total liabilities		**(2,451,227)**	(2,077,260)	**(4,674)**	(1,713)
Net (liabilities)/assets		**(821,318)**	(225,292)	**48,197**	108,665
Equity					
Equity attributable to equity holders of the parent – MARIL					
Contributed equity	18	**1,335,394**	1,316,674	**-**	-
Reserves	19	**(1,909,163)**	(1,582,346)	**-**	-
Accumulated losses	20	**(295,746)**	(68,285)	**-**	-
MARIL security holders' interest		**(869,515)**	(333,957)	**-**	-
Equity attributable to other stapled security holders – MARL					
Contributed equity	18	**196,781**	194,640	**196,781**	194,640
Reserves	19	**(12,353)**	(11,772)	**(12,353)**	(11,772)
Accumulated losses	20	**(136,231)**	(74,203)	**(136,231)**	(74,203)
Other stapled security holders' interest		**48,197**	108,665	**48,197**	108,665
Total equity		**(821,318)**	(225,292)	**48,197**	108,665

The above Consolidated Statements of Financial Position should be read in conjunction with the accompanying notes.

As required by the Bermuda regulations, the MQA financial information was approved by the Macquarie Atlas Roads International Limited (MARIL) board of directors on 28 February 2012 and was signed on MARIL's behalf by:

Jeffrey Conyers
Macquarie Atlas Roads International Limited
Pembroke, Bermuda

Derek Stapley
Macquarie Atlas Roads International Limited
Pembroke, Bermuda

Financial Report
for the year ended 31 December 2011

Consolidated Statements of Changes in Equity

MQA	Attributable to MARIL security holders						
	Contributed equity	Reserves	Accumulated losses	**Total**	Attributable to MARL security holders	Other Non-controlling interest	**Total equity**
	$'000	$'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 year	-	-	(227,461)	**(227,461)**	**(62,028)**	-	**(289,489)**
Exchange differences on translation of foreign operations	-	(10,819)	-	**(10,819)**	**(581)**	-	**(11,400)**
Cash flow hedges, net of tax	-	(315,998)	-	**(315,998)**	**-**	-	**(315,998)**
Total comprehensive income	-	(326,817)	(227,461)	**(554,278)**	**(62,609)**	-	**(616,887)**
Transactions with equity holders in their capacity as equity holders:							
Application of performance fees to subscription for new securities	18,720	-	-	**18,720**	**2,141**	-	**20,861**
	18,720	-	-	**18,720**	**2,141**	-	**20,861**
Total equity at 31 December 2011	1,335,394	(1,909,163)	(295,746)	**(869,515)**	**48,197**	-	**(821,318)**

MQA	Attributable to MARIL security holders						
	Contributed equity	Reserves	Accumulated losses	**Total**	Attributable to MARL security holders	Other Non-controlling interest	**Total equity**
	$'000	$'000	$'000	**$'000**	$'000	$'000	**$'000**
Total equity at 15 December 2009	-	-	-	**-**	-	-	**-**
Loss for the period	-	-	(68,285)	**(68,285)**	(74,203)	(84,412)	**(226,900)**
Exchange differences on translation of foreign operations	-	116,690	-	**116,690**	(11,772)	(12,069)	**92,849**
Cash flow hedges, net of tax	-	(43,879)	-	**(43,879)**	-	-	**(43,879)**
Total comprehensive income	**-**	72,811	(68,285)	**4,526**	(85,975)	(96,481)	**(177,930)**
Transactions with equity holders in their capacity as equity holders:							
Demerger of MIG	1,316,674	(1,655,157)	-	**(338,483)**	194,640	175,702	**31,859**
Distribution provided for or paid	-	-	-	**-**	-	(287)	**(287)**
Deconsolidation of subsidiaries	-	-	-	**-**	-	(78,934)	**(78,934)**
	1,316,674	(1,655,157)	-	**(338,483)**	194,640	96,481	**(47,362)**
Total equity at 31 December 2010	1,316,674	(1,582,346)	(68,285)	**(333,957)**	108,665	-	**(225,292)**

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

Financial Report
for the year ended 31 December 2011

Consolidated Statements of Changes in Equity (continued)

MARL Group	Attributable to MARL security holders					
	Contributed equity	Reserves	Accumulated losses	**Total**	Non-controlling interest	**Total equity**
	$'000	$'000	$'000	**$'000**	$'000	**$'000**
Total equity at 1 January 2011	194,640	(11,772)	(74,203)	**108,665**	-	**108,665**
Loss for the year	-	-	(62,028)	**(62,028)**	-	**(62,028)**
Exchange differences on translation of foreign operations	-	(581)	-	**(581)**	-	**(581)**
Total comprehensive income	-	(581)	(62,028)	**(62,609)**	-	**(62,609)**
Transactions with equity holders in their capacity as equity holders:						
Issue of securities for performance fees to Manager	2,141	-	-	**2,141**	-	**2,141**
	2,141	-	-	**2,141**	-	**2,141**
Total equity at 31 December 2011	196,781	(12,353)	(136,231)	**48,197**	-	**48,197**

MARL Group	Attributable to MARL security holders					
	Contributed equity	Reserves	Accumulated losses	**Total**	Non-controlling interest	**Total equity**
	$'000	$'000	$'000	**$'000**	$'000	**$'000**
Total equity at 16 December 2009	-	-	-	**-**	-	**-**
Loss for the period	-	-	(74,203)	**(74,203)**	-	**(74,203)**
Exchange differences on translation of foreign operations	-	(11,772)	-	**(11,772)**	-	**(11,772)**
Total comprehensive income	-	(11,772)	(74,203)	**(85,975)**	-	**(85,975)**
Transactions with equity holders in their capacity as equity holders:						
Demerger of MIG	194,640	-	-	**194,640**	-	**194,640**
	194,640	-	-	**194,640**	-	**194,640**
Total equity at 31 December 2010	194,640	(11,772)	(74,203)	**108,665**	-	**108,665**

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

Financial Report
for the year ended 31 December 2011

Consolidated Statements of Cash Flows

	Note	MQA Year ended 31 Dec 2011 $'000	MQA Period ended 31 Dec 2010 $'000	MARL Group Year ended 31 Dec 2011 $'000	MARL Group Period ended 31 Dec 2010 $'000
Cash flows from operating activities					
Toll revenue received		**105,374**	112,515	**-**	-
Interest received		**1,226**	4,396	**1,793**	1,112
Net indirect taxes (paid)/received		**(18,163)**	(13,017)	**237**	122
Payments to suppliers and employees (inclusive of GST/VAT)		**(16,335)**	(22,411)	**(1,248)**	(7,661)
Manager's and Adviser's base fees paid		**(14,717)**	(7,101)	**(1,674)**	(884)
Manager's and Adviser's performance fees paid		**-**	(4,206)	**-**	(519)
Payments on settlement of derivative financial instruments		**-**	(3,157)	**-**	-
Reimbursement of bid costs		**-**	6,504	**-**	1,782
Operating lease rent paid		**(16,725)**	(17,008)	**-**	-
Net Income taxes refunded/(paid)		**214**	(202)	**1,133**	-
Other income received		**4,043**	10,639	**-**	6,102
Net cash flows from operating activities	24	**44,917**	66,952	**241**	54
Cash flows used in investing activities					
Payment for purchase of investments (including transaction costs)		**(328)**	(219,948)	**(71)**	(49)
Proceeds from sale of property, plant and equipment		**128**	-	**-**	-
Payments for purchase of property, plant and equipment		**(1,880)**	(1,149)	**-**	(73)
Proceeds from return of capital from investments		**-**	315	**-**	315
Deconsolidated cash balance from discontinued operations		**-**	(509)	**-**	(509)
Net cash flows used in investing activities		**(2,080)**	(221,291)	**(71)**	(316)
Cash flows from financing activities					
Proceeds from issue of equity prior to demerger of MIG		**-**	151,722	**-**	24,886
Cash acquired on the acquisition of subsidiaries		**-**	140,259	**-**	1,202
Proceeds from bank borrowings		**1,980**	1,144	**-**	-
Borrowing costs paid		**(54,933)**	(59,326)	**-**	-
Loans advanced to related parties		**-**	-	**-**	(18,917)
Repayment of loans from related parties		**-**	-	**761**	513
Net cash flows from financing activities		**(52,953)**	233,799	**761**	7,684
Net increase/(decrease) in cash assets held		**(10,116)**	79,460	**931**	7,422
Cash and cash equivalents at the beginning of the year		**66,047**	-	**7,015**	-
Effects of exchange rate movements on cash and cash equivalents		**183**	(13,413)	**21**	(407)
Cash and cash equivalents at the end of the year/period	24	**56,114**	66,047	**7,967**	7,015

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

Notes to the Consolidated Financial Statements

1 Summary of Significant Accounting Policies

The significant policies which have been adopted in the preparation of these consolidated financial statements are stated to assist in a general understanding of this general purpose Financial Report. These policies have been consistently applied to all periods presented, unless otherwise stated.

The accounting policies adopted in the preparation of the Financial Report are set out below.

(a) Basis of preparation

This general purpose Financial Report for the reporting year ended 31 December 2011 has been prepared in accordance with Australian Accounting Standards and the Corporations Act 2001 (where applicable).

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 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 year (collectively referred to as the MARL Group).

The Financial Report was authorised for issue by the directors of the MARIL and the MARL Boards on 28 February 2012 and 29 February 2012 respectively. The Boards have the power to amend and reissue the Financial Report.

Going concern and deficiency of net assets

The Financial Reports have been prepared on a going concern basis. At 31 December 2011, MQA had a net current liability position of $24.9 million (31 December 2010: net current asset position of $6.6 million) and MARIL, the parent entity of the Group, had a net current liability position of $13.2 million (31 December 2010: net current asset position of $1.1 million). Included within MQA's and MARIL's current payables are performance fees of $20.8 million (31 December 2010: $4.2 million) and $18.7 million (31 December 2010: $3.7 million) respectively which may become payable at 30 June 2012 (subject to performance criteria continuing to be satisfied).

Management forecasts indicate that MQA will be able to meet its liabilities as and when they become due and payable, including current performance fees which may become payable at 30 June 2012, assuming that Macquarie Fund Advisers Pty Limited "MFA" and MQA's independent directors agree that these fees be applied to a subscription for new MQA securities, as was agreed in relation to the 30 June 2011 performance fee payments. Where no such agreement is reached the Directors consider that other funding alternatives will be available to meet any resulting shortfall of available cash.

As at 31 December 2011 MQA also had a deficiency of capital and reserves of $821.3 million (31 December 2010: $225.3 million). This is primarily driven by M6 Toll related balances: its non-recourse liabilities of $2.4 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 commitments to provide further debt or equity funding to the M6 Toll in order to meet these liabilities. Operating cash flows of the M6 Toll are expected to be sufficient to service the ongoing interest charges on the non-recourse loans for at least the next 12 months from the date of this report. However, the outlook for future economic conditions in the United Kingdom remains uncertain and, as a consequence, the future traffic, revenue performance and ongoing compliance with debt covenants of the M6 Toll will be subject to economic factors outside its control.

Compliance with International Financial Reporting Standards (IFRS)

Compliance with Australian Accounting Standards ensures that the Financial Report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Consequently, this Financial Report has also been prepared in accordance with and complies with IFRS 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 ASX as stapled securities in MQA. The shares of MARIL and MARL cannot be traded separately and can only be traded as stapled securities.

1 Summary of Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

Comparative figures

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

The comparative period was from 15 December 2009 to 31 December 2010 for MQA and 16 December 2009 to 31 December 2010 for the MARL Group. In addition, the period of ownership of the Groups' toll road investments commenced from the MIG demerger on 2 February 2010. Therefore, the results of the current year are not directly comparable to the results of the prior period.

Business combinations under common control

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

(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 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 year ended 31 December 2011.

(c) Principles of consolidation

The consolidated financial statements of MQA incorporate the assets and liabilities of the entities controlled by MARIL for the year ended 31 December 2011, including those deemed to be controlled by MARIL by identifying it as the parent of MQA, and the results of those controlled entities for the year then ended. The consolidated financial statements of the MARL Group incorporate the assets and liabilities of the entities controlled by MARL for the year ended 31 December 2011. The effects of all transactions between entities in the consolidated entities are eliminated in full. Non-controlling interests in the results and equity are shown separately in the Statement of Comprehensive Income and the Statement of Financial Position. Non-controlling interests are those interests in partly owned subsidiaries which are not held directly or indirectly by MARL or MARIL.

Subsidiaries

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

The 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.

1 Summary of Significant Accounting Policies (continued)

(c) Principles of consolidation (continued)

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 its associates' post-acquisition profits or losses is 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.

Transactions with Non-Controlling Parties

Equity transactions with non-controlling entities are recognised in the Groups' financial statements using the economic entity method, whereby transactions with non-controlling parties are treated as transactions with equity participants.

(d) Cash, cash equivalents and other financial assets

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(e) Intangible Assets - Tolling Concessions

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

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

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

* The tolling concessions in relation to the non-controlled investments are not recognised in 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.

Financial Report
for the year ended 31 December 2011

1 Summary of Significant Accounting Policies (continued)

(f) Property, plant and equipment

Property, plant and equipment is recorded at cost, which represents fair value on acquisition less accumulated depreciation.

Property, plant and equipment comprise of integrated land, buildings, leasehold improvements and plant and equipment used in exercising tolling concession rights.

Leasehold improvements

Costs directly associated with the construction and improvement of the Groups' toll roads have been capitalised.

Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(g) Depreciation and amortisation of non-current assets

Property, plant and equipment

Depreciation is calculated to write off the net cost of property, plant and equipment over its estimated useful life. Estimates of remaining useful life are made on a regular basis for all assets, with annual reassessments for major items. The expected useful life of property, plant and equipment and depreciation basis for the Groups are as follows:

Asset Description	Asset Classification	Estimated Useful Life	Depreciation basis
Road Infrastructure	Toll Road	50 years	Vehicle usage over useful life
Roadbase	Toll Road	15 years	Vehicle usage over useful life
Wearing Course	Toll Road	8 years	Vehicle usage over useful life
Road Buildings Infrastructure	Toll Road	50 years	Straight line basis
Non Road Buildings including Motorway Service Area	Leasehold Land and Buildings	50 years	Straight line basis
Masts and Columns	Plant and Machinery	12 years	Straight line basis
Office Furniture and Fittings	Plant and Machinery	3-12 years	Straight line basis
Signage	Plant and Machinery	6 years	Straight line basis
Vehicles and Maintenance Equipment	Plant and Machinery	3-5 years	Straight line basis
IT Equipment	Plant and Machinery	3-5 years	Straight line basis
Toll Collection System/ Equipment	Plant and Machinery	3-8 years	Straight line basis

Leasehold improvements

Amounts recorded as leasehold improvements, including expenses and borrowing costs, are amortised over the estimated remaining term of the right granted to operate the relevant road.

The year of amortisation of leasehold improvements is reassessed on a regular basis.

(h) 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 (e) for a summary of the accounting policy in relation to the Tolling concessions.

1 Summary of Significant Accounting Policies (continued)

(i) Impairment of assets

The carrying amount of tolling concessions, non controlled investments, leasehold improvements and property, plant and equipment is assessed every reporting year to determine whether there are indications of any impairment of the carrying value. If there are such indications, 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 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.

(j) 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.

(k) 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.

(l) Financial instruments transaction costs

Transaction costs are included in the carrying amounts disclosed in the financial statements, except for financial assets or liabilities that are measured at fair value through profit or loss, where transaction costs directly attributable to the acquisition or issue of the financial asset or liability are recognised immediately in profit or loss.

(m) Dividends

A dividend payable is recognised for the amount of any dividend declared, or publicly recommended by the directors on or before the end of the year but not distributed at balance date.

(n) Revenue recognition

Interest income on cash balances is brought to account on an accruals basis and toll revenue is recognised when the service is provided. Other revenue is recognised when the fee in respect of services provided is receivable.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of subsidies, goods and services tax (GST) and value added tax (VAT) payable to the relevant taxation authority. Toll revenue is recognised at the time the journey is completed.

(o) Income tax

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

1 Summary of Significant Accounting Policies (continued)

(o) Income tax (continued)

Deferred income tax is determined using the Balance Sheet method, being the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

MARL and its wholly owned Australian controlled entities have formed a tax-consolidated group under Australian taxation law as of 2 February 2010. The head entity, MARL and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax accounts.

Under current Bermudian law, MARIL will not be subject to any income, withholding or capital gains taxes in Bermuda. Controlled entities of MARIL that are subject to taxes in their jurisdictions recognise income tax using the balance sheet approach of tax effect accounting.

(p) Foreign Currency Translation

Functional and presentation currency

Items included in the financial statements of each of the Groups' entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is the functional and presentation currency of MARIL and MARL

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Group companies

The results and financial position of the Groups' entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

– assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;
– income and expenses for each Statement of Comprehensive Income are translated at exchange rates at the dates of transactions or at an average rate as appropriate; and
– all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to security holders' equity. When a foreign operation is disposed of or borrowings that form part of the net investment are repaid, a proportionate share of such exchange differences are recognised in profit or loss as part of the gain or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(q) Prepayments

Prepayments recognised comprise costs incurred relating to the following financial years.

1 Summary of Significant Accounting Policies (continued)

(r) 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 profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedges

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

Amounts accumulated in equity are reclassified to profit or loss in the years 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.

(s) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost. Interest income from loans and receivables is recognised using the effective interest method.

Receivables are generally received within 30 days of becoming due and receivable. A provision is raised for any doubtful debts based on a review of all outstanding amounts at year end. Bad debts are written off in the year in which they are identified.

(t) Payables and other liabilities

Liabilities are recognised at fair value when an obligation exists to make future payments as a result of a purchase of assets or services, whether or not billed. Trade creditors are generally settled within 30 days.

Financial Report
for the year ended 31 December 2011

1 Summary of Significant Accounting Policies (continued)

(u) Earnings per stapled security

Basic earnings per stapled security

Basic earnings per stapled security is determined by dividing the profit attributable to security holders by the weighted average number of securities on issue during the year.

(v) Goods and Services Tax (GST) and Value Added Tax (VAT)

The amount of GST incurred by the Groups that is not recoverable from the Australian Taxation Office (ATO) is recognised as an expense or as part of the cost of acquisition of an asset. These expenses have been recognised in profit or loss net of the amount of GST recoverable from the ATO. The amount of VAT incurred by the Groups that is not recoverable from H.M. Revenue & Customs in the United Kingdom is recognised as an expense or as part of the cost of acquisition of an asset. Receivables and payables are stated at amounts inclusive of GST and VAT. The net amount of GST and VAT recoverable from the ATO and H.M. Revenue & Customs is included in receivables in the Consolidated Statement of Financial Position. Cash flows relating to GST and VAT are included in the Consolidated Statements of Cash Flows on a gross basis.

(w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the MARIL and MARL Boards of Directors.

(x) Business Combinations

The acquisition method of accounting is used to account for all business combinations other than those under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Groups. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Contingent consideration is subsequently remeasured to its fair value with changes recognised in the statement of comprehensive income. On an acquisition-by-acquisition basis, the Groups recognise any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Groups' share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts have been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of the cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange.

Business combinations under common control are accounted for in the consolidated accounts prospectively from the date the Groups obtain the ownership interest. Assets and liabilities are recognised upon consolidation at their carrying amount in the consolidated financial statements of the ultimate parent entity at the time. Any difference between the fair value of the consideration paid and the historical amounts at which the assets and liabilities are recorded is recognised directly in equity in the other reserve.

(y) Leases

Leases of property, plant and equipment where the Groups, as lessee, have substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease year so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year. The property, plant and equipment acquired under finance lease is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Groups will obtain ownership at the end of the lease term.

1 Summary of Significant Accounting Policies (continued)

(y) Leases (continued)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the year of the lease.

(z) Provisions

Provisions are recognised when: the Groups have a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligations; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the best estimate of the expenditure required to settle the present obligation at the balance date.

(aa) Critical Accounting Estimates and Judgements

The preparation of the Financial Report 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 Financial Report are reasonable. Actual results in the future may differ from those reported.

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

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 understanding of the current tax law.

In addition, the Groups have recognised deferred tax assets relating to carried forward losses to the extent these 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(i) 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 (refer to Note 9).

Performance fees

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

1 Summary of Significant Accounting Policies (continued)

(bb) Accounting Standards and Interpretations issued

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting year. The Groups' assessment of the impact of the relevant new standards and interpretations which have not been early adopted in preparing the 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 IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures (effective for annual reporting periods beginning on or after 1 January 2013)

In 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 AASB is expected to issue equivalent Australian standards shortly. 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.

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

AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective for annual reporting periods beginning on or after 1 January 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 would 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 its disclosures of its financial liabilities measured at fair value. The Groups do not intend to adopt the new standard before its operative date, which means that it would be first applied from 1 January 2013.

Revised 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 would therefore first adopt the new standard from 1 January 2013.

Financial Report
for the year ended 31 December 2011

1 Summary of Significant Accounting Policies (continued)

(bb) Accounting Standards and Interpretations issued (continued)

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.

AASB 1054 Australian Additional Disclosures, and AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project

These Standards are a consequence of Phase 1 of the joint Trans-Tasman Convergence project of the AASB and the Financial Reporting Standards Board (FRSB) of the New Zealand Institute of Chartered Accountants to support profit entities using a single set of accounting standards and preparing financial statements that are accepted in both jurisdictions.

AASB 1054 sets out Australian-specific disclosures for entities that have adopted Australian Accounting Standards. This Standard contains disclosures additional to IFRSs such as compliance with Australian Accounting Standards, the nature of financial statements (general purpose or special purpose), audit fees, imputation (franking) credits and a reconciliation of net operating cash flow to profit (loss).

AASB 2011-1 deletes various Australian-specific guidance and disclosures from other Standards for closer alignment to IFRSs and harmonisation between Australian and New Zealand Standards.

These standards are applicable to annual reporting periods beginning on or after 1 July 2011. The Groups will first apply the Standards AASB 2011-1 and AASB 1054 in the financial year beginning 1 January 2012.

Financial Report
for the year ended 31 December 2011

1 Summary of Significant Accounting Policies (continued)

(cc) Parent Entity Financial Information

The financial information for MARIL and MARL disclosed in Note 27 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the separate financial statements of MARIL and MARL.

Tax consolidation legislation

MARL and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 2 February 2010.

The head entity, MARL and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right. In addition to its own current and deferred tax amounts, MARL also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate MARL for any current tax payable assumed and are compensated by MARL for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to MARL under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year.

The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the MARL Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

Financial guarantees

Where the parent entities have provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(dd) Presentation of Financial Reports

The 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.

(ee) 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 Financial Report. Amounts in the 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 year/period

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

(i) Revenue from continuing operations

Consolidated	MQA Year ended 31 Dec 2011 $'000	MQA Period ended 31 Dec 2010 $'000	MARL Group Year ended 31 Dec 2011 $'000	MARL Group Period ended 31 Dec 2010 $'000
Revenue from continuing operations				
Toll revenue	**87,460**	94,724	**-**	-
Other revenue	**3,165**	4,491	**-**	28
Interest Income:				
Related parties	**183**	163	**1,476**	810
Other persons and corporations	**1,042**	3,735	**324**	562
Total Interest income	**1,225**	3,898	**1,800**	1,372
Total revenue from continuing operations	**91,850**	103,113	**1,800**	1,400
Other income from continuing operations				
Gain on derivative financial instruments	**39**	-	**-**	-
Total other income from continuing operations	**39**	-	**-**	-
Total revenue and other income from continuing operations	**91,889**	103,113	**1,800**	1,400

Financial Report
for the year ended 31 December 2011

2 Loss for the year (continued)

(ii) Operating expenses from continuing operations

Consolidated	MQA Year ended 31 Dec 2011 $'000	MQA Period ended 31 Dec 2010 $'000	MARL Group Year ended 31 Dec 2011 $'000	MARL Group Period ended 31 Dec 2010 $'000
Operating expenses from continuing operations				
Finance costs:				
Interest expense:				
Other persons and corporations	**102,642**	95,619	**-**	-
Total Finance Costs	**102,642**	95,619	**-**	-
Other operating expenses:				
Loss on derivative financial instruments	**-**	490	**-**	-
Amortisation of tolling concessions	**1,698**	1,668	**-**	-
Depreciation:				
Plant and machinery	**3,921**	3,624	**-**	-
Land and buildings	**714**	705	**-**	-
Toll road	**24,230**	20,356	**-**	-
	28,865	24,685	**-**	-
Cost of operations:				
Employment costs	**7,047**	6,987	**389**	417
Operating expenses	**5,168**	5,202	**-**	-
Operating lease rentals	**29,161**	26,816	**-**	-
	41,376	39,005	**389**	417
Other operating expenses:				
Consulting and administration fees	**1,526**	1,551	**442**	678
Manager's and Adviser's base fees	**14,392**	10,425	**1,519**	1,178
Manager's and Adviser's performance fees	**50,106**	12,476	**5,196**	1,361
Net Foreign exchange loss/(gain)	**254**	2,490	**(9)**	854
Provision for Impairment**	**67,373**	-	**3,182**	1,807
Other expenses	**1,089**	3,609	**251**	494
	134,740	30,551	**10,581**	6,372
Total other operating expenses	**206,679**	96,399	**10,970**	6,789
Total operating expenses from continuing operations	**309,321**	192,018	**10,970**	6,789
Gain on deconsolidation *	**-**	54,018	**-**	-

* On 17 June 2010, MQA announced that an agreement had been reached by Eiffarie SAS (Eiffarie) to acquire a further 13.73% interest in APRR from minority shareholders for €55.00 per APRR share. Eiffarie is a wholly owned subsidiary of Financiere Eiffarie SAS (FE). The total acquisition price was €853.7 million. MQA contributed a total of €155.0 million, funded from its existing cash reserves. As a consequence of this transaction, on 21 June 2010 MQA ceased to control Macquarie Autoroutes de France SAS (MAF), MAF Finance Sarl (MAF Finance), MARI SAS and MARE SAS and MQA recognised a gain on deconsolidation of subsidiaries of $54.0 million. Refer to Note 9 (b).

** The provision for impairment in MQA relates to its investment in Dulles Greenway. The provision for impairment in the MARL Group relates to its investment in Dulles Greenway ($3.4 million), net of a provision reversal on other assets ($0.2 million).

Financial Report
for the year ended 31 December 2011

3 Income Tax Benefit

The income tax expense for the financial year differs from the prima facie tax payable. The differences are reconciled as follows

Consolidated	Note	MQA Year ended 31 Dec 2011 $'000	MQA Period ended 31 Dec 2010 $'000	MARL Group Year ended 31 Dec 2011 $'000	MARL Group Period ended 31 Dec 2010 $'000
(a) Reconciliation of income tax benefit to prima facie tax payable					
Loss from continuing activities before income tax benefit		**(307,763)**	(243,642)	**(62,140)**	(76,257)
Profit from discontinued operations before income tax benefit		**-**	746	**-**	746
Loss for the year		**(307,763)**	(242,896)	**(62,140)**	(75,511)
Prima facie income tax on loss at the Australian tax rate of 30%		**(92,329)**	(72,869)	**(18,642)**	(22,653)
Impact of different tax rates of operations in jurisdictions other than Australia		**21,935**	11,312	**(10)**	37
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:					
Non-assessable income		**(609)**	(342)	**(206)**	-
Non-deductible tolling concession amortisation		**509**	500	**-**	-
Non-deductible expenditure		**1,741**	48	**1,724**	40
Share of net loss of investments accounted for using the equity method		**27,099**	62,627	**15,891**	21,260
Provision for impairment current assets		**-**	542	**(78)**	542
Provision for impairment on investments accounted for using the equity method		**20,212**	-	**1,033**	-
Gain on deconsolidation		**-**	(16,205)	**-**	-
Profit from discontinued operations		**-**	(224)	**-**	(224)
Temporary differences not brought to account		**(1,566)**	(4,668)	**(51)**	204
Carry back of losses against prior year's tax payments		**(112)**	(1,308)	**(112)**	(1,308)
Deferred tax asset on taxable losses not brought to account		**8,300**	7,303	**339**	775
Deferred tax assets on prior year tax losses brought to account due to change in tax rates		**(4,295)**	(2,732)	**-**	-
Under / (over) provision in prior period		**834**	-	**-**	-
Other		**7**	20	**-**	19
Aggregate income tax benefit		**(18,274)**	(15,996)	**(112)**	(1,308)
(b) Income tax benefit					
Aggregate income tax benefit comprises:					
Current taxation expense		**925**	2	**-**	-
Deferred tax benefit		**(19,087)**	(14,690)	**-**	-
Carry back of losses against prior year's tax payments		**(112)**	(1,308)	**(112)**	(1,308)
		(18,274)	(15,996)	**(112)**	(1,308)
Deferred income tax benefit included in income tax benefit:					
Decrease in deferred tax liabilities	17	**(19,087)**	(14,690)	**-**	-
		(19,087)	(14,690)	**-**	-
(c) Amounts recognised directly in equity					
Aggregate current and deferred tax arising in the reporting year and not recognised in net profit or loss but directly debited or credited to equity:		**-**	-	**-**	-
Deferred tax – credited directly to equity		**-**	-	**-**	-
(d) Tax losses					
Unused tax losses for which no deferred tax asset has been recognised		**1,326,345**	1,043,783	**769,988**	529,719
Potential tax benefit of unused tax losses		**438,456**	351,742	**299,350**	212,944

Financial Report
for the year ended 31 December 2011

4 Discontinued operations

Description

No operations were discontinued during the year ended 31 December 2011. On 16 December 2010, MQA and the MARL Group ceased to control Transtoll Pty Limited (Transtoll) and the financial performance and cash flow information relating to the discontinued operations are presented below:

Financial performance and cash flow information

The financial performance and cash flow information relating to the discontinued operations to the date of deconsolidation for the period ended 31 December 2010 are presented below. There were no discontinued operations for the year ended 31 December 2011.

Consolidated	**MQA Year ended 31 Dec 2011 $'000**	MQA Period ended 31 Dec 2010 $'000	**MARL Group Year ended 31 Dec 2011 $'000**	MARL Group Period ended 31 Dec 2010 $'000
Financial performance				
Revenue	**-**	5,803	**-**	5,803
Expenses	**-**	(5,938)	**-**	(5,938)
Loss before income tax	**-**	(135)	**-**	(135)
Income tax	**-**	-	**-**	-
Loss after income tax of discontinued operations	**-**	(135)	**-**	(135)
Gain from deconsolidation	**-**	881	**-**	881
Total profit from discontinued operations	**-**	746	**-**	746

Consolidated	**MQA Year ended 31 Dec 2011 $'000**	MQA Period ended 31 Dec 2010 $'000	**MARL Group Year ended 31 Dec 2011 $'000**	MARL Group Period ended 31 Dec 2010 $'000
Cash flow information				
Net cash flows from operating activities	**-**	277	**-**	277
Net cash flows used in investing activities	**-**	(73)	**-**	(73)
Net cash flows from/(used in) financing activities	**-**	-	**-**	-
Net increase in cash generated from discontinued operations	**-**	204	**-**	204

5 Remuneration of Auditors

Consolidated	**MQA Year ended 31 Dec 2011 $**	MQA Period ended 31 Dec 2010 $	**MARL Group Year ended 31 Dec 2011 $**	MARL Group Period ended 31 Dec 2010 $
Amounts paid or payable to PricewaterhouseCoopers Australian firm for:				
Audit services	**454,570**	416,500	**211,500**	208,250
Other services				
Taxation compliance services	**28,000**	52,355	**14,600**	37,408
Other services	**29,000**	69,000	**14,500**	35,500
	511,570	537,855	**240,600**	281,158
Amounts paid or payable to PricewaterhouseCoopers overseas firm for:				
Audit services	**110,273**	168,783	**-**	73,908
Other services				
Taxation compliance services	**307,592**	102,539	**154,777**	29,120
	417,865	271,322	**154,777**	103,028

6 Cash and Cash Equivalents

Consolidated	MQA As at 31 Dec 2011 $'000	MQA As at 31 Dec 2010 $'000	MARL Group As at 31 Dec 2011 $'000	MARL Group As at 31 Dec 2010 $'000
Cash at bank	**7,164**	24,369	**941**	1,935
Short term money market investments	**14,140**	13,568	**7,026**	5,080
Cash not available for use	**34,810**	28,110	**-**	-
	56,114	66,047	**7,967**	7,015

(a) Short term money market investments

The short term money market investments outstanding at 31 December 2011 mature within 72 days (2010: 66 days) and pay interest between 0.72%-5.83% (2010: 1.03% - 5.86%) per annum.

The majority of the cash available for use is held in bank accounts earning money market rates of interest between 0.25% - 4.25% (2010: 0.25% - 4.75%) per annum.

(b) Cash not available for use

This includes restricted amounts relating to Macquarie Motorways Group Limited's (MMG) debt service obligations and blocked deposits required under Midland Expressway Ltd's (MEL) concession agreement obligations amounting to $31.8 million (2010: $24.1 million). In addition, cash-backed guarantees have been provided in relation to Warnowquerung GmbH & Co. KG (Warnow Tunnel) amounting to $1.5 million (2010: $1.6 million). Macquarie Infrastructure US Pty Ltd (MIUS) has also provided letters of credit totalling $1.5 million (US$1.5 million) (2010: $2.5 million (US$2.5 million)) to several agencies which have granted environmental permits for the construction of the South Bay Expressway. The letters of credit are backed by an on-demand guarantee, provided through a secured cash deposit of $1.5 million (US$1.5 million) (2010: $2.5 million (US$2.5 million)).

Discussion of the Groups' policies concerning the management of credit risk can be found in Note 26.

7 Receivables

Consolidated	MQA As at 31 Dec 2011 $'000	MQA As at 31 Dec 2010 $'000	MARL Group As at 31 Dec 2011 $'000	MARL Group As at 31 Dec 2010 $'000
Current				
GST and VAT recoverable	**94**	105	**76**	101
Receivables from related parties	**3,287**	3,246	**4,063**	4,579
Tax receivables	**3,209**	4,257	**3,209**	4,257
Other receivables	**376**	735	**-**	-
Total current receivables	**6,966**	8,343	**7,348**	8,937
Non-current				
Receivables from related parties	**-**	-	**18,917***	18,917
Total non-current receivables	**-**	-	**18,917**	18,917

*At 31 December 2011 MARIL had a non collateral associated interest bearing loan with MARL. For further information relating to related party loans please refer to Note 25.

The Groups' maximum credit exposure for receivables is the carrying value. Discussion of the Groups' policies concerning the management of credit risk can be found in Note 26. The fair values of receivables approximate their carrying values.

8 Prepayments

Consolidated	MQA As at 31 Dec 2011 $'000	MQA As at 31 Dec 2010 $'000	MARL Group As at 31 Dec 2011 $'000	MARL Group As at 31 Dec 2010 $'000
Current				
Prepaid expenses	**953**	998	**31**	10
Total current prepayments	**953**	998	**31**	10

Financial Report
for the year ended 31 December 2011

9 Investments Accounted for using the Equity Method

	MQA	MQA	MARL Group	MARL Group
	As at 31 Dec 2011 $'000	As at 31 Dec 2010 $'000	As at 31 Dec 2011 $'000	As at 31 Dec 2010 $'000
Shares in associates – equity method	753,412	931,068	18,608	75,499
	753,412	931,068	18,6018	75,499

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 31 Dec 2011 and 31 Dec 2010 %	As at 31 Dec 2011 $'000	As at 31 Dec 2010 $'000	As at 31 Dec 2011 and 31 Dec 2010 %	As at 31 Dec 2011 $'000	As at 31 Dec 2010 $'000
Macquarie Autoroutes de France 2 SA	Luxembourg	Investment in toll road network located in the east of France (APRR)	38.9	596,100	636,446	-	-	-
Dulles Greenway Partnership*	USA	Investment in toll road located in northern Virginia, USA	50.0	157,312	243,608	6.7	18,608	24,485
Chicago Skyway Partnership	USA	Investment in toll road located south of Chicago, USA	50.0	-	51,014	50.0	-	51,014
Indiana Toll Road Partnership	USA	Investment in toll road located in northern Indiana, USA	49.0	-	-	49.0	-	-
Warnowquerung GmbH & Co KG (WKG) (limited partnership)**	Germany	Investment in toll road located in Rostock, north-eastern Germany	70.0	-	-	-	-	-
				753,412	931,068		18,608	75,499

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

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

South Bay Expressway

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

Financial Report
for the year ended 31 December 2011

9 Investments Accounted for using the Equity Method (continued)

(b) Movement in carrying amounts

	MQA Year ended 31 Dec 2011 $'000	MQA Period ended 31 Dec 2010 $'000	MARL Group Year ended 31 Dec 2011 $'000	MARL Group Period ended 31 Dec 2010 $'000
Carrying amount at the beginning of the year	**931,068**	-	**75,499**	-
Associates acquired during MIG Demerger	**-**	1,336,183	**-**	157,912
Disposal of associates *	**-**	(663,781)	**-**	-
Associates acquired/equity invested *	**71**	646,586	**71**	49
Share of losses after income tax **	**(90,331)**	(208,755)	**(52,970)**	(70,868)
Provision for impairment***	**(67,373)**	-	**(3,442)**	-
Distributions received/receivable	**-**	(297)	**-**	(297)
Foreign exchange movement	**(20,023)**	(178,868)	**(550)**	(11,297)
Carrying amount at the end of the year	**753,412**	931,068	**18,608**	75,499

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

** Included in the share of losses after income tax for MQA and the MARL Group are fair value losses on interest rate swaps of $70.1 million (2010: fair value losses of $104.6 million) and $33.9 million (2010: fair value losses of $13.9 million) respectively for which hedge accounting has not been applied.

*** The provision for impairment of $67.4 million and $3.4 million for MQA and MARL Group respectively arose in relation to their economic interests in Toll Road Investors Partnership II LP, the concessionaire for Dulles Greenway. The provision reflects weakness in the outlook for economic and traffic conditions.

The recoverable amount has been determined on a value in use basis. A discount rate of 12.5% was used in determining the value in use (30 June 2011:12.5%).

(c) Share of associates' profits or losses

	MQA Year ended 31 Dec 2011 $'000	MQA Period ended 31 Dec 2010 $'000	MARL Group Year ended 31 Dec 2011 $'000	MARL Group Period ended 31 Dec 2010 $'000
Group's share of:				
Revenue	**671,430**	1,072,189	**64,030**	61,831
Expenses	**(1,083,906)**	(1,368,316)	**(448,699)**	(246,023)
Loss before income tax	**(412,476)**	(296,127)	**(384,669)**	(184,192)
Income tax (expense)/benefit	**(13,433)**	(27,893)	**857**	874
Loss after income tax	**(425,909)**	(324,020)	**(383,812)**	(183,318)

(d) Share of associates assets and liabilities

	MQA Year ended 31 Dec 2011 $'000	MQA Period ended 31 Dec 2010 $'000	MARL Group Year ended 31 Dec 2011 $'000	MARL Group Period ended 31 Dec 2010 $'000
Group's share of:				
Assets	**6,317,945**	6,460,658	**1,548,853**	1,579,639
Liabilities	**(5,935,376)**	(5,630,140)	**(1,956,315)**	(1,600,599)
Net assets/(liabilities)	**382,569**	830,518	**(407,462)**	(20,960)

(e) Share of contingent liabilities of associates

As at 31 December 2011 and at 31 December 2010, there were no share of contingent liabilities incurred jointly with other investors and no contingent liabilities relating to liabilities of the associate for which MARIL and MARL are severally liable. Refer to Note 29 for details of contingent liabilities relating to associates.

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

	MQA Year ended 31 Dec 2011 $'000	MQA Period ended 31 Dec 2010 $'000	MARL Group Year ended 31 Dec 2011 $'000	MARL Group Period ended 31 Dec 2010 $'000
Balance at the beginning of the year/period	**(115,265)**	-	**(112,450)**	-
Share of associates' losses not brought to account	**(335,578)**	(115,265)	**(330,842)**	(112,450)
Balance at the end of the year/period	**(450,843)**	(115,265)	**(443,292)**	(112,450)

Financial Report
for the year ended 31 December 2011

10 Property, Plant and Equipment

MQA Consolidated	Plant and machinery $'000	Land and buildings $'000	Toll Road $'000	**Total Property, plant and equipment $'000**
Net book amount at 1 January 2011	16,831	30,039	726,325	**773,195**
Additions	1,506	-	374	**1,880**
Depreciation expense	(3,921)	(714)	(24,230)	**(28,865)**
Disposals	(22)	-	-	**(22)**
Exchange differences	(31)	(145)	(3,803)	**(3,979)**
Net book amount at 31 December 2011	14,363	29,180	698,666	**742,209**
At 31 December 2011				
Cost	60,005	34,785	913,735	**1,008,525**
Accumulated depreciation	(45,642)	(5,605)	(215,069)	**(266,316)**
Net book amount at 31 December 2011	14,363	29,180	698,666	742,209

MQA Consolidated	Plant and machinery $'000	Land and buildings $'000	Toll Road $'000	**Total Property, plant and equipment $'000**
Net book amount at 15 December 2009	-	-	-	**-**
Demerger of MIG	22,954	36,348	896,998	**956,300**
Additions	826	-	249	**1,075**
Depreciation expense	(3,624)	(705)	(20,356)	**(24,685)**
Disposals	(527)	-	-	**(527)**
Exchange differences	(2,798)	(5,604)	(150,566)	**(158,968)**
Net book amount at 31 December 2010	16,831	30,039	726,325	**773,195**
At 31 December 2010				
Cost	59,702	34,976	918,376	**1,013,054**
Accumulated depreciation	(42,871)	(4,937)	(192,051)	**(239,859)**
Net book amount at 31 December 2010	16,831	30,039	726,325	**773,195**

Property, Plant and Equipment pledged as Security

Property, Plant and Equipment as at 31 December 2011 solely relates to Midland Expressway Limited (MEL). Non recourse loans of Macquarie Motorways Group Limited (MMG) are secured by way of debenture over the assets of MEL.

The MARL Group has no property, plant and equipment as at 31 December 2011 and 31 December 2010.

Financial Report
for the year ended 31 December 2011

11 Tolling Concessions

	MQA	MQA
	As at 31 Dec 2011 $'000	As at 31 Dec 2010 $'000
M6 Toll	**70,255**	72,317
Total Tolling Concessions	**70,255**	72,317

Tolling concessions are amortised over the remaining life of each concession, expiring in January 2054 for the M6 Toll.

	M6 Toll
MQA Consolidated	**As at 31 Dec 2011 $'000**
Net book amount at 1 January 2011	**72,317**
Amortisation expense	**(1,698)**
Exchange difference	**(364)**
Net book amount at 31 December 2011	**70,255**
At 31 December 2011	
Cost	**80,084**
Accumulated amortisation	**(9,829)**
Net book amount at 31 December 2011	**70,255**

	M6 Toll
MQA Consolidated	As at 31 Dec 2010 $'000
Net book amount at 15 December 2009	-
Demerger of MIG	87,454
Amortisation expense	(1,668)
Exchange difference	(13,469)
Net book amount at 31 December 2010	72,317
At 31 December 2010	
Cost	80,523
Accumulated amortisation	(8,206)
Net book amount at 31 December 2010	72,317

The MARL Group has no tolling concessions as at 31 December 2011 and 31 December 2010.

12 Subsidiaries

a) MQA Consolidated

Name of controlled entity	Country of establishment	**2011 voting %**	2010 voting %
Macquarie Atlas Roads Limited	Australia	**100.0**	100.0
Macquarie Green Bermudian Holdings Ltd	Bermuda	**100.0**	100.0
MQA Holdings Ltd	Bermuda	**100.0**	100.0
MQA Investments Ltd	Bermuda	**100.0**	100.0
Macquarie European Infrastructure Limited	UK	**100.0**	100.0
Macquarie Motorways Group Limited	UK	**100.0**	100.0
Midland Expressway Ltd	UK	**100.0**	100.0
Macquarie Infrastructure (UK) Ltd	UK	**100.0**	100.0
European Transport Investments (UK) Limited	UK	**100.0**	100.0
Macquarie UK Projects Ltd	UK	**100.0**	100.0
Macquarie Midland Holdings Ltd	UK	**100.0**	100.0
Tipperhurst Ltd	UK	**100.0**	100.0
Macquarie Autoroute International Sarl	Luxembourg	**100.0**	100.0
MIBL Finance Luxembourg Sarl	Luxembourg	**100.0**	100.0
Macquarie Infrastructure US Pty Ltd	Australia	**100.0**	100.0
Macquarie 125 Holdings Inc	USA	**100.0**	100.0
Macquarie Infrastructure Australia Pty Ltd	Australia	**100.0**	100.0
MQA Holdings 2 (US) LLC	USA	**100.0**	100.0
MQA Investments Australia Pty Ltd	Australia	**100.0**	100.0
MQA Indiana Holdings LLC	USA	**100.0**	100.0
MQA Holdings (US) LLC	USA	**100.0**	100.0
MIT (II) Holdings Pty Limited	Australia	**100.0**	100.0
Macquarie Infrastructure Netherlands Investments Cooperatief UA	Netherlands	**100.0**	100.0
Macquarie Infrastructure Netherlands Tollroads BV	Netherlands	**100.0**	100.0
M635 Pty Ltd	Australia	**100.0**	100.0
European Transport Investments Pty Ltd	Australia	**100.0**	100.0

(b) MARL Consolidated

Name of controlled entity	Country of establishment	**2011 voting %**	2010 voting %
Macquarie Infrastructure Australia Pty Ltd	Australia	**100.0**	100.0
MQA Holdings 2 (US) LLC	USA	**100.0**	100.0
MQA Investments Australia Pty Ltd	Australia	**100.0**	100.0
MQA Indiana Holdings LLC	USA	**100.0**	100.0
MQA Holdings (US) LLC	USA	**100.0**	100.0
MIT (II) Holdings Pty Limited	Australia	**100.0**	100.0
M635 Pty Ltd	Australia	**100.0**	100.0
European Transport Investments Pty Ltd	Australia	**100.0**	100.0

On 21 January 2011, Abigroup WSO Holding No. 1 Pty Ltd, Abigroup WSO Holding No. 3 Pty Ltd, MEIL Holdings Pty Limited, M1604 Pty Ltd, M121 Pty Ltd and MUTR Pty Ltd, subsidiaries of MQA and the MARL Group, were liquidated.

On 29 June 2011, Macquarie LBJ Holdings LLC, Macquarie 635 ML Holdings LLC and South I-205 Concession Company LLC, subsidiaries of MQA and the MARL Group, were liquidated.

13 Investment in Associates

(a) MQA Consolidated

Name of associate	Country of establishment	Principal activity	Balance date	**2011 voting %**	2010 voting %
Macquarie Autoroutes de France 2 SA	Luxembourg	Holding company	31 Mar	**38.9**	38.9
Dulles Greenway Partnership*	USA	Holding company	31 Dec	**50.0**	50.0
Chicago Skyway Partnership	USA	Holding company	31 Dec	**50.0**	50.0
Indiana Toll Road Partnership	USA	Holding company	31 Dec	**49.0**	49.0
Warnowquerung GmbH & Co. KG (WKG) (limited partnership)**	Germany	Investment in toll tunnel	31 Dec	**70.0**	70.0
Warnowquerung Verwaltungsgesellschaft GmbH**	Germany	General Partner of WKG	31 Dec	**70.0**	70.0
South Bay Expressway Limited Partnership (SBX)***	USA	Toll road operator	30 Jun	**-**	50.0
Californian Transportation Ventures Inc***	USA	General Partner of SBX	30 Jun	**-**	50.0

(b) MARL Consolidated

Name of associate	Country of establishment	Principal activity	Balance date	**2011 voting %**	2010 voting %
Dulles Greenway Partnership *	USA	Holding company	31 Dec	**50.0**	50.0
Chicago Skyway Partnership	USA	Holding company	31 Dec	**50.0**	50.0
Indiana Toll Road Partnership	USA	Holding company	31 Dec	**49.0**	49.0

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

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

*** On 29 April 2011, the Courts approved SBX's corporate reorganisation and MQA no longer has any equity interest in SBX.

The voting power held in the other associates disclosed above is in proportion to the ownership interest held. The above associates are accounted for using the Equity Method. Refer also to Note 9.

14 Payables

Consolidated	Note	**MQA As at 31 Dec 2011 $'000**	MQA As at 31 Dec 2010 $'000	**MARL Group As at 31 Dec 2011 $'000**	MARL Group As at 31 Dec 2010 $'000
Current					
VAT payable		**3,058**	4,141	**-**	-
Manager and Adviser fees payable		**3,263**	3,429	**403**	399
Manager and Adviser performance fees payable	(i)	**20,861**	4,158	**2,186**	445
Lease payable	(ii)	**17,005**	15,466	**-**	-
Sundry creditors and accruals		**6,867**	7,334	**371**	424
		51,054	34,528	**2,960**	1,268
Non Current					
Manager and Adviser performance fees payable	(i)	**16,702**	4,158	**1,714**	445
Lease payable	(ii)	**158,189**	147,879	**-**	-
		174,891	152,037	**1,714**	445

Financial Report
for the year ended 31 December 2011

14 Payables (continued)

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

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

Current Manager and Adviser performance fees payable

Current Manager and Adviser performance fees payable of $20.9 million at 31 December 2011 (2010: $4.15 million) comprises 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.

Non-current Manager and Adviser performance fees payable

Non-current Manager and Adviser performance fees payable of $16.7 million (2010: $4.15 million) comprises the third instalment of the June 2011 fee of $16.7 million.

(ii) Lease payable

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

Financial Report

for the year ended 31 December 2011

15 Derivative Financial Instruments

Consolidated	**MQA** **As at** **31 Dec 2011** **$'000**	MQA As at 31 Dec 2010 $'000	**MARL Group** **As at** **31 Dec 2011** **$'000**	MARL Group As at 31 Dec 2010 $'000
Current liabilities				
Interest rate swap contracts	**34,094**	34,299	**-**	-
Total current derivative financial instrument liabilities	**34,094**	34,299	**-**	-
Non-current liabilities				
Interest rate swap contracts	**394,580**	79,188	**-**	-
Total non-current derivative financial instrument liabilities	**394,580**	79,188	**-**	-

Instruments used by MQA

At 31 December 2011, MQA is party to derivative financial instruments entered into in the normal course of business, in order to hedge exposure to fluctuations in interest rates in accordance with the Group's financial risk management policies (refer to Note 26).

Interest rate swap contracts – cash flow hedges

In 2006, MMG entered into a 30 year interest rate hedge, such that all floating rate payments due on the £1.0 billion ($1.5 billion) term loan (refer to Note 16) have been fixed. The swap contracts entered into have structured fixed payments at levels that increase from year to year. The levels of fixed payments start at a low rate and then increase over 20 years until they reach a plateau rate for the remainder of the term. The swap contracts are currently being settled on a six monthly basis.

The interest rate swap contracts have been designated and qualify as a cash flow hedge. The gain or loss arising from remeasuring the hedging instruments at fair value is deferred in equity in the hedging reserve, to the extent that the hedge is effective, and re-classified into the profit or loss when the hedged interest expense is recognised.

At 31 December 2011 these contracts were liabilities with a fair value of £283.1 million ($428.7 million) (2010: £74.5 million ($113.5 million)) and have been disclosed as derivative financial instrument liabilities in the Statement of Financial Position. The fair value movement of the swaps in the year was a loss of £208.6 million ($316.0 million) (2010: £21.8 million ($44.4 million)). Of this movement a loss of £208.6 million ($316.0 million) (2010: £21.6 million ($43.9 million)) has been recognised in the Statement of Changes in Equity in the cash flow hedging reserve and a gain of £0.02 million ($0.04 million) (2010: Loss of £0.2 million ($0.5 million)) has been recognised in profit or loss.

A liability of £147.2 million ($222.8 million) (2010: £116.2 million ($176.9 million)) has been recognised in interest bearing financial liabilities (refer to Note 16) to reflect the low rates of fixed payments currently being paid under the swap contracts.

At 31 December 2011, the notional principal amounts and years of expiry of MMG's interest rate swap contracts are:

Consolidated	**MQA** **As at** **31 Dec 2011** **$'000**	MQA As at 31 Dec 2010 $'000	**MARL Group** **As at** **31 Dec 2011** **$'000**	MARL Group As at 31 Dec 2010 $'000
1 - 5 years	**-**	-	**-**	-
20 - 25 years	**1,514,067**	1,522,363	**-**	-

Financial Report

for the year ended 31 December 2011

16 Interest Bearing Financial Liabilities

Consolidated	Note	**MQA As at 31 Dec 2011 $'000**	MQA As at 31 Dec 2010 $'000	**MARL Group As at 31 Dec 2011 $'000**	MARL Group As at 31 Dec 2010 $'000
Current					
Non-recourse loans	(i)	**3,803**	-	**-**	-
		3,803	-	**-**	-
Non-current					
Non-recourse loans	(i)	**1,538,144**	1,549,111	**-**	-
Accrued interest rate swap liability	(ii)	**222,799**	176,945	**-**	-
		1,760,943	1,726,056	**-**	-
The maturity profile of the above interest bearing financial liabilities is:					
Due within one year		**3,803**	-	**-**	-
Due between one and five years		**1,538,144**	1,549,111	**-**	-
Due after five years		**222,799**	176,945	**-**	-
		1,764,746	1,726,056	**-**	-

(i) Non-recourse Loans

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

The non-recourse loans represent debt facilities of £1.03 billion ($1.5 billion) (31 December 2010: £1.03 billion ($1.5 billion)) of 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 £2.5 million ($3.8 million) commencing in 2012 and included in the current non-recourse loan balance. The facilities comprise a £1.0 billion ($1.5 billion)) (31 December 2010: £1.0 billion ($1.5 billion)) term loan and a £30.0 million ($45.4 million) (31 December 2010: £30.0 million ($45.7 million)) capital expenditure facility. Interest on the drawn facilities is charged at a margin over the London Inter Bank Offer Rate (LIBOR). At 31 December 2011 the interest rate was 2.73% (31 December 2010: 2.22%).

At 31 December 2011, the term loan was fully drawn down and £10.14 million ($15.4 million) (31 December 2010: £8.86 million ($13.5 million)) of the capital expenditure facility had been utilised. The facilities have certain covenants attached and are secured by way of 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 2010: 5.67%).

The MARL Group has no interest bearing liabilities.

(ii) Accrued Interest Rate Swap Liability

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

Financial Report

for the year ended 31 December 2011

17 Deferred Tax Liabilities

Consolidated	**MQA** **As at** **31 Dec 2011** **$'000**	MQA As at 31 Dec 2010 $'000	**MARL Group** **As at** **31 Dec 2011** **$'000**	MARL Group As at 31 Dec 2010 $'000
Deferred tax liability	**31,862**	51,152	**-**	-
The balance of deferred tax liabilities comprises temporary differences attributable to:				
Amounts recognised in profit or loss				
Temporary differences on property, plant and equipment	**211,004**	235,301	**-**	-
Deferred tax asset in relation to tax losses	**(179,142)**	(184,149)	**-**	-
Net deferred tax liabilities	**31,862**	51,152	**-**	-
Movements:				
Opening balance at beginning of year/period	**51,152**	-	**-**	-
Demerger of MIG	**-**	76,928	**-**	-
(Credited)/charged to profit or loss	**(19,087)**	(14,690)	**-**	-
Foreign currency exchange differences	**(203)**	(11,086)	**-**	-
Closing balance at end of year/period	**31,862**	51,152	**-**	-

Financial Report
for the year ended 31 December 2011

18 Contributed Equity

	Attributable to MARIL equity holders	Attributable to MARIL equity holders	**Attributable to MARL equity holders**	Attributable to MARL equity holders
	As at 31 Dec 2011 $'000	As at 31 Dec 2010 $'000	**As at 31 Dec 2011 $'000**	As at 31 Dec 2010 $'000
Ordinary shares	**1,335,394**	1,316,674	**196,781**	194,640
Contributed equity	**1,335,394**	1,316,674	**196,781**	194,640

	Attributable to MARIL equity holders	Attributable to MARIL equity holders	**Attributable to MARL equity holders**	Attributable to MARL equity holders
	Year ended 31 Dec 2011 $'000	Year ended 31 Dec 2010 $'000	**Year ended 31 Dec 2011 $'000**	Period ended 31 Dec 2010 $'000
On issue at the beginning of the year *	**1,316,674**	-	**194,640**	-
Issued				
Application of performance fees to subscription for new securities**	**18,720**	-	**2,141**	-
Issued shares on the demerger from MIG ***	**-**	1,316,674	**-**	194,640
On issue at the end of the year	**1,335,394**	1,316,674	**196,781**	194,640

	Number of shares '000	Number of shares '000	**Number of shares '000**	Number of shares '000
On issue at the beginning of the year *	**452,346**	-	**452,346**	-
Issued				
Application of performance fees to subscription for new securities**	**11,934**	-	**11,934**	-
Issued shares on the demerger from MIG ***	**-**	452,346	**-**	452,346
On issue at the end of the year	**464,280**	452,346	**464,280**	452,346

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

** 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, were applied to a subscription for new MARIL securities. 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, were applied to a subscription for new MARL securities.

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

Ordinary shares in MARL and in MARIL

Each fully paid stapled security confers the right to vote at meetings of security holders, subject to any voting restrictions imposed on a security holder under the Corporations Act 2001 in Australia, Companies Act in Bermuda and the ASX Listing Rules. On a show of hands, every security holder present in person or by proxy has one vote. On a poll, every security holder who is present in person or by proxy has one vote for each fully paid share in respect of MARL and one vote for each fully paid share in respect of MARIL.

The directors of MARL and MARIL may declare dividends which are appropriate given the financial position of MARL and MARIL.

If MARL and MARIL are wound up, the liquidator may, with the sanction of an extraordinary resolution and any other requirement of law, divide among the members in specie or in kind the whole or any part of the assets of MARL and MARIL.

Financial Report
for the year ended 31 December 2011

19 Reserves

	Attributable to MARIL equity holders	Attributable to MARIL equity holders	**Attributable to MARL equity holders**	Attributable to MARL equity holders
	As at 31 Dec 2011 $'000	As at 31 Dec 2010 $'000	**As at 31 Dec 2011 $'000**	As at to 31 Dec 2010 $'000
Balance of reserves				
Hedging reserve – cash flow hedges (net of tax)	**(455,055)**	(139,057)	**-**	-
Foreign currency translation reserve	**105,871**	116,690	**(12,353)**	(11,772)
Other reserve	**(1,559,979)**	(1,559,979)	**-**	-
	(1,909,163)	(1,582,346)	**(12,353)**	(11,772)

	Attributable to MARIL equity holders	Attributable to MARIL equity holders	**Attributable to MARL equity holders**	Attributable to MARL equity holders
	Year ended 31 Dec 2011 $'000	Period ended 31 Dec 2010 $'000	**Year ended 31 Dec 2011 $'000**	Period ended 31 Dec 2010 $'000
Movements of reserves				
Hedging reserve – cash flow hedges (net of tax)				
Balance at the beginning of the year/period	**(139,057)**	-	**-**	-
Demerger of MIG	**-**	(95,178)	**-**	-
Revaluation (gross) on interest rate swap contracts	**(315,998)**	(43,879)	**-**	-
Balance at the end of the year/period	**(455,055)**	(139,057)	**-**	-
Foreign currency translation reserve				
Balance at the beginning of the year/period	**116,690**	-	**(11,772)**	-
Net exchange differences on translation of foreign controlled entities	**(10,819)**	104,621	**(581)**	(11,772)
Deconsolidation of subsidiaries	**-**	12,069	**-**	-
Balance at the end of the year/period	**105,871**	116,690	**(12,353)**	(11,772)
Other reserve				
Balance at the beginning of the year/period	**(1,559,979)**	-	**-**	-
Demerger of MIG	**-**	(1,559,979)	**-**	-
Balance at the end of the year/period	**(1,559,979)**	(1,559,979)	**-**	-

Nature and purpose of reserves

Hedging reserve – cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in Note 1(r). Amounts are recognised in profit or loss when the associated hedged transaction affects profit or loss.

Foreign currency translation reserve

Exchange differences arising on translation of foreign operations are taken to the foreign currency translation reserve, as described in Note 1(p).

Other reserve

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.

Financial Report
for the year ended 31 December 2011

20 Accumulated losses

	Attributable to MARIL equity holders Year ended 31 Dec 2011 $'000	Attributable to MARIL equity holders Period ended 31 Dec 2010 $'000	Attributable to MARL equity holders Year ended 31 Dec 2011 $'000	Attributable to MARL equity holders Period ended 31 Dec 2010 $'000
Balance at the beginning of the year/period	**(68,285)**	-	**(74,203)**	-
Loss attributable to shareholders	**(227,461)**	(68,285)	**(62,028)**	(74,203)
Balance at the end of the year/period	**(295,746)**	(68,285)	**(136,231)**	(74,203)

21 Other Non Controlling Interest

Consolidated	MQA Year ended 31 Dec 2011 $'000	MQA Period ended 31 Dec 2010 $'000	MARL Group Year ended 31 Dec 2011 $'000	MARL Group Period ended 31 Dec 2010 $'000
Balance at the beginning of the year/period	**-**	-	**-**	-
Acquired on Demerger of MIG		175,702		
Loss attributable to non-controlling interest	**-**	(84,412)	**-**	-
Foreign exchange differences attributable to non-controlling interest	**-**	(12,069)	**-**	-
Distributions provided for or paid to non-controlling interest	**-**	(287)	**-**	-
Deconsolidation of subsidiaries	**-**	(78,934)	**-**	-
Balance at the end of the year/period	**-**	-	**-**	-

22 Segment Information

(a) Description of Segments

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

The MQA Boards consider the business from the aspect of each of the toll roads 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 year ended 31 December 2011 and segment assets at 31 December 2011 by individual portfolio asset. The MQA Boards are provided with performance information on each asset, in their capacity as chief operating decision maker, to monitor the operating performance of each asset.

Transtoll Pty Ltd (Transtoll) was a discontinued operation from 16 December 2010 (refer to Note 4).

Financial Report
for the year ended 31 December 2011

22 Segment Information (continued)

(b) Segment Information Provided to the MQA Boards

The segment information provided to the MQA Boards for the reportable segments for the year ended 31 December 2011 and period ended 31 December 2010, based on MQA's effective ownership interest is as follows:

MQA	Indiana Toll Road	Chicago Skyway	Dulles Greenway	M6 Toll	APRR	Warnow Tunnel	**Total Continuing operations**
	Year ended 31 Dec 2011 $'000	Year ended 31 Dec 2011 $'000	Year ended 31 Dec 2011 $'000	Year ended 31 Dec 2011 $'000	Year ended 31 Dec 2011 $'000	Year ended 31 Dec 2011 $'000	**Year ended 31 Dec 2011 $'000**
Segment Result							
Segment Revenue	44,482	14,498	32,047	90,591	517,640	8,232	**707,490**
Segment Expenses	(8,264)	(1,915)	(8,081)	(11,540)	(160,331)	(2,680)	**(192,811)**
Segment EBITDA	36,218	12,583	23,966	79,051	357,309	5,552	**514,679**
EBITDA Margin	81%	87%	75%	87%	69%	67%	**73%**
	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**

MQA	Indiana Toll Road	Chicago Skyway	Dulles Greenway	M6 Toll	APRR	Warnow Tunnel	**Total Continuing operations**
	Period ended 31 Dec 2010 $'000	Period ended 31 Dec 2010 $'000	Period ended 31 Dec 2010 $'000	Period ended 31 Dec 2010 $'000	Period ended 31 Dec 2010 $'000	Period ended 31 Dec 2010 $'000	**Period ended 31 Dec 2010 $'000**
Segment Result							
Segment Revenue	43,892	13,514	32,775	94,724	507,201	7,597	**699,703**
Segment Expenses	(8,412)	(1,950)	(8,701)	(11,475)	(160,873)	(2,522)	**(193,933)**
Segment EBITDA	35,480	11,564	24,074	83,249	346,328	5,075	**505,770**
EBITDA Margin	81%	86%	73%	88%	68%	67%	**72%**
	As at 31 Dec 2010 $'000	As at 31 Dec 2010 $'000	As at 31 Dec 2010 $'000	As at 31 Dec 2010 $'000	As at 31 Dec 2010 $'000	As at 31 Dec 2010 $'000	**As at 31 Dec 2010 $'000**
Segment assets	976,487	515,943	867,668	889,802	3,941,838	158,722	**7,350,460**

Financial Report
for the year ended 31 December 2011

22 Segment Information (continued)

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

The segment information provided to the MQA Boards for the reportable segments for year ended 31 December 2011 and period ended 31 December 2010, based on the MARL Group's effective ownership interest is as follows:

MARL Group	Indiana Toll Road Year ended 31 Dec 2011 $'000	Chicago Skyway Year ended 31 Dec 2011 $'000	Dulles Greenway Year ended 31 Dec 2011 $'000	**Total Continuing operations Year ended 31 Dec 2011 $'000**
Segment Result				
Segment Revenue	44,482	14,498	4,294	**63,274**
Segment Expenses	(8,264)	(1,915)	(1,083)	**(11,262)**
Segment EBITDA	36,218	12,583	3,211	**52,012**
EBITDA Margin	81%	87%	75%	**82%**
	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**

MARL Group	Indiana Toll Road Period ended 31 Dec 2010 $'000	Chicago Skyway Period ended 31 Dec 2010 $'000	Dulles Greenway Period ended 31 Dec 2010 $'000	**Total Continuing operations Period ended 31 Dec 2010 $'000**
Segment Result				
Segment Revenue	43,892	13,514	4,392	**61,798**
Segment Expenses	(8,412)	(1,950)	(1,166)	**(11,528)**
Segment EBITDA	35,480	11,564	3,226	**50,270**
EBITDA Margin	81%	86%	73%	**81%**
	As at 31 Dec 2010 $'000	As at 31 Dec 2010 $'000	As at 31 Dec 2010 $'000	**As at 31 Dec 2010 $'000**
Segment assets	976,487	515,943	87,209	**1,579,639**

Financial Report
for the year ended 31 December 2011

22 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
	Year ended 31 Dec 2011 $'000	Period ended 31 Dec 2010 $'000	**Year ended 31 Dec 2011 $'000**	Period ended 31 Dec 2010 $'000
Reconciliation of Segment Revenue to Revenue				
Segment Revenue	**707,490**	699,703	**63,274**	61,798
Revenue attributable to investments accounted for under the equity method*	**(616,899)**	(604,979)	**(63,274)**	(61,798)
Unallocated revenue	**1,298**	8,389	**1,800**	1,400
Total revenue from continuing operations	**91,889**	103,113	**1,800**	1,400
Reconciliation of Segment EBITDA to Loss Before Income Tax Benefit				
Segment EBITDA	**514,679**	505,770	**52,012**	50,270
EBITDA attributable to investments accounted for under the equity method *	**(435,628)**	(422,521)	**(52,012)**	(50,270)
Other expenses from consolidated toll road assets	**(162,954)**	(144,191)	**-**	-
Unallocated revenue	**1,298**	8,389	**1,800**	1,400
Unallocated expenses	**(67,454)**	(36,352)	**(7,528)**	(6,789)
Share of net loss of investments accounted for using the equity method	**(90,331)**	(208,755)	**(52,970)**	(70,868)
Impairment provision for investments accounted for using the equity method (Refer to Note 9)	**(67,373)**	-	**(3,442)**	-
Gain on deconsolidation of subsidiaries	**-**	54,018	**-**	-
Loss from continuing operations before income tax benefit	**(307,763)**	(243,642)	**(62,140)**	(76,257)

	MQA	MQA	**MARL Group**	MARL Group
	As at 31 Dec 2011 $'000	As at 31 Dec 2010 $'000	**As at 31 Dec 2011 $'000**	As at 31 Dec 2010 $'000
Reconciliation of Segment Assets to Total Assets				
Segment assets	**7,167,460**	7,350,460	**1,548,853**	1,579,639
Other cash assets	**20,330**	23,102	**7,967**	7,015
Other assets	**6,653**	7,998	**26,296**	27,864
Impairment provision for investments accounted for using the equity method	**(67,373)**	-	**(3,442)**	-
Liabilities included in investments accounted for using the equity method	**(5,497,161)**	(5,529,592)	**(1,526,803)**	(1,504,140)
Total assets	**1,629,909**	1,851,968	**52,871**	110,378

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

Financial Report
for the year ended 31 December 2011

23 Earnings per Stapled Security/Share

Consolidated	**MARIL Year ended 31 Dec 2011 cents**	MARIL Period ended 31 Dec 2010 cents	**MARL Year ended 31 Dec 2011 cents**	MARL Period ended 31 Dec 2010 cents
Basic loss from continuing operations per MARIL/MARL share	**(49.84)**	(15.10)	**(13.59)**	(16.57)
Basic earnings from discontinued operations per MARIL/MARL share	**-**	-	**-**	0.16
Basic loss per MARIL/MARL share	**(49.84)**	(15.10)	**(13.59)**	(16.41)
	$'000	$'000	**$'000**	$'000
Earnings used in the calculation of basic loss from continuing operations per MARIL/MARL share*	**(227,461)**	(68,285)	**(62,028)**	(74,949)
Earnings used in the calculation of basic earnings from discontinued operations per MARIL/MARL share*	**-**	-	**-**	746
Earnings used in the calculation of basic loss per MARIL/MARL share *	**(227,461)**	(68,285)	**(62,028)**	(74,203)
	Number	Number	**Number**	Number
Weighted average number of shares used in calculation of basic loss per MARIL/MARL share *	**456,400,091**	452,345,907	**456,400,091**	452,345,907

* There is no difference in the earnings and weighted average number of shares used in the calculation of basic earnings per stapled security and diluted earnings per stapled security.

The basic loss per MQA stapled security for the year ended 31 December 2011 was 63.43 cents (2010: (31.50) cents) per stapled security using MQA loss attributable to MQA stapled security holders of $289.5 million (2010: $142.5 million).

Financial Report
for the year ended 31 December 2011

24 Cash Flow Information

Consolidated	MQA Year ended 31 Dec 2011 $'000	MQA Period ended 31 Dec 2010 $'000	MARL Group Year ended 31 Dec 2011 $'000	MARL Group Period ended 31 Dec 2010 $'000
Reconciliation of loss after income tax benefit to net cash flows from operating activities				
Loss after income tax	**(289,489)**	(226,900)	**(62,028)**	(74,203)
Loss on equity accounted assets	**90,331**	208,755	**52,970**	70,868
Expenses relating to financing activities	**102,642**	95,619	**-**	-
Net unrealised foreign exchange differences	**254**	(666)	**(9)**	854
Net (Gain)/loss on derivative contracts	**(39)**	490	**-**	-
Gain on deconsolidation	**-**	(54,018)	**-**	-
Net gain on sale of non-current assets	**(105)**	-	**-**	-
Profit from discontinued operations	**-**	(746)	**-**	(746)
Depreciation and amortisation	**30,563**	26,353	**-**	-
Application of performance fees to subscription of new securities	**20,861**	-	**2,141**	-
Provision for impairment	**67,373**	-	**3,182**	1,807
Changes in operating assets and liabilities:				
Decrease/(increase) in receivables	**263**	6,293	**(7)**	962
Decrease in other assets	**215**	133	**109**	98
Decrease/(increase) in current tax receivables	**1,021**	(1,308)	**1,021**	(1,308)
Decrease in deferred tax liability	**(19,087)**	(14,690)	**-**	-
Increase in other liabilities	**13,068**	13,963	**-**	-
Increase in payables	**27,046**	13,674	**2,862**	1,722
Net cash flows from operating activities	**44,917**	66,952	**241**	54
Reconciliation of cash and cash equivalents				
Cash and cash equivalents at the end of the year as shown in the Statements of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:				
Cash at bank	**7,164**	24,369	**941**	1,935
Short term money market investments	**14,140**	13,568	**7,026**	5,080
Cash not available for use	**34,810**	28,110	**-**	-
Cash and cash equivalents	**56,114**	66,047	**7,967**	7,015

Non cash financing and investing activities

Application of performance fees to subscription of new securities

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, were applied to a subscription for new MARIL securities. 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, were applied to a subscription for new MARL securities.

Restructure of Macquarie Infrastructure Group

During the period ended 31 December 2010, MQA was demerged from Macquarie Infrastructure Group (MIG) following its restructure into two separate Australian Securities Exchange (ASX) listed toll road groups, being MQA and Intoll. As part of this restructure the interests in the M6 Toll, Chicago Skyway, Indiana Toll Road, Dulles Greenway, Autoroutes Paris-Rhine-Rhône (APRR), South Bay Expressway, Warnow Tunnel and Transtoll were transferred to MQA. MQA issued securities as consideration for these transfers. Refer to Note 18.

24 Cash Flow information (continued)

Autoroutes Paris-Rhin Rhône (APRR)

During the period ended 31 December 2010, MQA contributed its interests in Macquarie Autoroutes de France SAS and interests in MAF Finance Sarl to Macquarie Autoroutes de France 2 SA (MAF2) as consideration to acquire the APRR minority interests.

There were no other non-cash financing or investing activities during the year.

25 Related Party Disclosures

Adviser and Manager

The Adviser of MARIL and the Manager of MARL is Macquarie Fund Advisers Pty Limited (MFA or the Adviser/Manager), a wholly owned subsidiary of Macquarie Group Limited (MGL).

Directors

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

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

Key Management Personnel

The above directors are the Key Management Personnel of MQA and the MARL Group.

Key Management Personnel are defined in AASB 124: *Related Party Disclosures* as those having authority and responsibility for planning, directing and controlling the activities of the entity. The Directors of MARIL and MARL meet the definition of Key Management Personnel as they have this authority in relation to the activities of MQA and the MARL Group respectively. There are no other Key Management Personnel of MQA and the MARL Group.

25 Related Party Disclosures (continued)

Compensation in the form of directors' fees that were paid to directors is as follows for the year ended 31 December 2011:

	Year ended 31 Dec 11 Director's fees $	Period ended 31 Dec 10 Director's fees $
MARIL		
Jeffrey Conyers	**71,922**	74,464
Dr Peter Dyer	**63,600**	61,413
David Walsh	**65,000**	59,222
Robert Mulderig	**-**	25,684
Derek Stapley	**67,127**	43,619
	267,649	264,402
MARL		
David Walsh	**185,000**	168,556
Mark Johnson	**-**	41,087
David Mortimer	**-**	46,017
John Roberts	**-**	-
Richard England	**140,000**	81,538
Marc de Cure	**51,291**	52,422
Jeffrey Conyers	**28,085**	7,972
	404,376	397,592

The compensation paid to directors of MARIL and MARL is determined by reference to current market rates for directorships of similar entities. The level of compensation is not related to the performance of MQA.

The number of MQA stapled securities held directly, indirectly or beneficially by the Key Management Personnel at 31 December 2011 are set out below:

	Directors interests in MQA Stapled Securities At 31 Dec 11	Directors interests in MQA Stapled Securities At 31 Dec 10
Jeffrey Conyers	**40,000**	30,000
Dr Peter Dyer	**-**	-
David Walsh	**7,000**	7,000
Derek Stapley	**-**	-
John Roberts	**46,108**	46,108
Marc de Cure	**-**	-
Richard England	**30,000**	-
Total	**123,108**	83,108

Advisers/Manager fees

Under the terms of the governing documents of the individual entities within the Groups, fees paid or payable (inclusive of non-recoverable GST and VAT) to the Advisor/Manager of MQA and the MARL Group were:

	MQA	MQA	**MARL Group**	MARL Group
Consolidated	**Year ended 31 Dec 2011 $**	Period ended 31 Dec 2010 $	**Year ended 31 Dec 2011 $**	Period ended 31 Dec 2010 $
Base fee	**14,391,822**	10,424,843	**1,518,773**	1,177,759
Performance fee	**50,105,696**	12,475,995	**5,195,581**	1,361,113
Total	**64,497,518**	22,900,838	**6,714,354**	2,538,872

25 Related Party Disclosures (continued)

Advisers/Manager fees (continued)

The base fee is calculated as 2.00% per annum of the first $1.0 billion of MQA Market capitalisation, 1.25% per annum for the value between $1.0 billion and $3.0 billion and at 1.00% per annum on MQA Market capitalisation value over $3.0 billion at the end of each quarter.

The performance fee is calculated with reference to the performance of the accumulated security price of MQA compared with the performance of the S&P/ASX 300 Industrials Accumulation Index. For the year ended 30 June 2011, a total performance fee of $50.1 million (excluding GST) was calculated for MQA. This fee is payable in three equal instalments, with the first instalment of $16.7 million having been settled in August 2011 and a liability recognised for the second and the third instalments. The second and the third instalments of $16.7 million each become payable on 30 June 2012 and 30 June 2013 respectively should the ongoing performance criteria be met and the Manager/Adviser not voluntarily retire. For the period ended 30 June 2010, a total performance fee of $12.5 million (excluding GST) was calculated for MQA. This fee is payable in three equal instalments, with the first and second instalments of $4.2 million having been settled. A liability has been recognised for the third instalment and becomes payable on 30 June 2012 should the ongoing performance criteria be met and the Manager/Adviser not voluntarily retire.

Fees are apportioned between MARL and MARIL based on each entity's share of the net assets of MQA.

Other transactions

MGL and companies within the MGL Group undertake various transactions with, and perform various services for MQA. Fees paid to MGL are approved solely by the independent directors on the boards of MARIL and MARL and where appropriate, external advice is sought by the directors to ensure that the fees and terms of engagement are representative of arm's length transactions.

At 31 December 2011, companies within the MGL Group held 75,424,460 (2010: 63,490,773) stapled securities in MQA.

At 31 December 2011, entities within the Groups had the following funds on deposit with Macquarie Bank Limited (MBL), a wholly owned subsidiary of MGL:

— MQA $2,997,977 (2010: $7,839,490)

— MARL Group $941,015 (2010: $1,935,443)

During the year entities within the Groups earned the following interest on deposits with MBL. MQA earns interest on deposit at commercial rates:

— MQA $183,259 (2010: $162,952)

— MARL Group $32,618 (2010: $51,635)

During the year entities within the Groups reimbursed MGL the following, representing out-of-pocket expenses incurred by the Adviser and the Manager in the performance of its duties:

— MQA $657,061 (2010: $565,356)

— MARL Group $475,825 (2010: $366,771)

For the year ended 31 December 2011, the Group incurred the following advisory fees:

Advisory fees of Nil (2010: €1,549,326 ($2,252,455)) paid/payable to Macquarie Capital (Europe) Limited, a subsidiary of MGL, were incurred by MARIL in relation to the acquisition of the additional interest in APRR.

25 Related Party Disclosures (continued)

Other transactions (continued)

Other balances and transactions:

At 31 December 2011, MARL had a receivable balance with MARIL of $19,779,997 (2010: $19,780,447) which is made up of an interest bearing loan of $18,917,238 (2010: $18,917,238), accrued interest on this loan of $765,524 (2010: $758,287) and other non-interest bearing receivables of $97,235 (2010: $104,922). The loan owing from MARIL to MARL bears interest at BBSW plus a margin of 2.5% and the principal of $18,917,238 (2010: $18,917,238) is payable in 2013 and the interest of $765,524 (2010: $758,287) is payable in 2011. Related party interest between MARIL and MARL totalled $1,443,507 (2010: $758,287) for the year.

At 31 December 2011, MARL had a receivable balance with a wholly owned subsidiary of MARIL, Macquarie Infrastructure US Pty Ltd (MIUS) of $750,244 (2010: $1,266,126)

At 31 December 2011, entities within the Groups had the following balance receivable from Transtoll (MQA and the MARL group lost control of Transtoll on 16 December 2010):

— MQA $2,450,000 (2010: $2,450,000)

— MARL Group $2,450,000 (2010: $2,450,000)

At 31 December 2011, entities within the Groups had the following balances receivable from Associates:

— MQA $837,049 (2010: $796,025)

— MARL Group $Nil (2010: $Nil)

During the year entities within the Groups reimbursed associates, the following, representing legal fees and other expenses incurred in the performance of their duties:

— MQA $1,044,470 (2010: $15,163)

— MARL Group $76 (2010: $15,163)

During the year the associates reimbursed entities within the Groups, the following, representing fee expenses incurred in the performance of their duties:

— MQA $22,516 (2010: $Nil)

— MARL Group $Nil (2010: $Nil)

MQA utilises the services provided by MBL’s foreign exchange and treasury departments from time to time on arms length terms.

All of the above amounts represent payments on normal commercial terms made in relation to the provision of goods and services.

Financial Report
for the year ended 31 December 2011

26 Financial Risk and Capital Management

Financial Risk Management

The Groups' activities expose them to a variety of financial risks: market risk (including foreign exchange risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The Groups' overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance of the Groups. The Groups use derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures.

The Risk Management Policy and Framework is carried out by management under policies approved by the Board. Senior management of the Groups identify, quantify and qualify financial risks and provide written principles for overall risk management, as well as written policies covering specific areas, such as mitigating foreign exchange, interest rate and credit risks, use of derivative financial instruments and investing excess liquidity.

Market risk

(a) Foreign exchange risk

Foreign exchange risk arises when recognised assets and liabilities and future commercial transactions are denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Groups operate internationally and are exposed to foreign exchange risk mainly arising from currency exposures to the Euro, Pound Sterling and United States Dollar.

The Groups do not hedge the foreign exchange exposure on overseas investments due to their long term horizon. However, commitments to make investments which are denominated in foreign currencies are hedged, by way of forward contracts, with maturities as close as possible to the time of making the commitment or raising the required capital.

Monetary items are converted to the Australian Dollar (AUD) at the rate of exchange ruling at the financial reporting date. Derivative instruments are valued with reference to forward exchange rates from the year end to settlement date, as provided by independent financial institutions.

(b) Interest rate risk

The Groups have no significant interest bearing assets whose fair value is significantly impacted by changes in market interest rates.

MQA's main interest rate risk arises from long term borrowings which are taken out at variable interest rates and therefore exposes MQA to a cash flow interest rate risk. MQA only has long term borrowings issued at floating interest rates. For floating rate exposures, MQA hedges the exposure by entering into interest rate swaps, whereby the entities within MQA agree with their counterparties to exchange at specified intervals, the difference between the fixed contract rates and floating rate amounts calculated by reference to the agreed notional principal amounts. Refer to Note 15.

Credit risk

Potential areas of credit risk consist of cash and cash equivalents and deposits with banks and financial institutions as well as credit exposures to committed transactions. The Groups limit their exposure in relation to cash balances by only dealing with well established financial institutions of high quality credit standing. The Groups only transact with independently rated parties with appropriate minimum credit ratings of A-1. The Board from time to time sets exposure limits to financial institutions and these are monitored on an on-going basis.

Sound credit risk management involves prudently managing the risk and reward relationship and controlling and minimising credit risks across a variety of dimensions, such as quality, concentration, maturity and security.

The following table sets out the counterparties with which the Groups transact and therefore provides an indication of the credit risk exposures.

Financial Report
for the year ended 31 December 2011

26 Financial Risk and Capital Management (continued)

Credit risk (continued)

Consolidated	MQA				MARL Group			
	Financial Institutions $'000	Corporates and other $'000	Government $'000	Total $'000	Financial Institutions $'000	Corporates and other $'000	Government $'000	Total $'000
2011								
Cash and cash equivalents	56,114	-	-	**56,114**	7,967	-	-	**7,967**
Receivables	-	3,663	3,303	**6,966**	-	22,980	3,285	**26,265**
Total	56,114	3,663	3,303	**63,080**	7,967	22,980	3,285	**34,232**

Consolidated	MQA				MARL Group			
	Financial Institutions $'000	Corporates and other $'000	Government $'000	Total $'000	Financial Institutions $'000	Corporates and other $'000	Government $'000	Total $'000
2010								
Cash and cash equivalents	66,047	-	-	**66,047**	7,015	-	-	**7,015**
Receivables	-	3,981	4,362	**8,343**	-	23,496	4,358	**27,854**
Total	66,047	3,981	4,362	**74,390**	7,015	23,496	4,358	**34,869**

Financial institutions

The credit risk to financial institutions relates to cash held by, term deposits due from and commercial paper that has been purchased from Australian and OECD banks. In line with the credit risk policies of the Groups these counterparties must meet a minimum credit rating of A-1.

Corporates and other and Government

The MQA credit risk relates primarily to trade receivables at the toll road asset level and other receivables from government authorities. The MARL Group credit risk relates primarily to receivables from related parties and other receivables from government authorities. These counterparties have a range of credit ratings.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Groups have a liquidity management policy which manages liquidity risk by monitoring the stability of funding, surplus cash or highly liquid cash assets, anticipated cash in and outflows and exposure to connected parties.

The below tables display the forecast contractual undiscounted future cash outflows of the liabilities at balance date of MQA and the MARL Group.

Contractual undiscounted future cash outflows

MQA Consolidated	Less than 1 Year $'000	1-2 Years $'000	2-3 Years $'000	3-5 Years $'000	Greater than 5 Years $'000	Total $'000
2011						
Non-recourse loans	43,103	36,926	47,425	1,552,134	-	**1,679,588**
Payables	51,054	20,468	3,766	7,533	143,124	**225,945**
Derivative liability	50,969	51,364	39,055	79,363	305,925	**526,676**
Accrued interest rate swap liability	(33,569)	(26,087)	(18,517)	(14,151)	928,084	**835,760**
Total	111,557	82,671	71,729	1,624,879	1,377,133	**3,267,969**

26 Financial Risk and Capital Management (continued)

Liquidity risk (continued)

MARL Group	Less than 1 Year $'000	1-2 Years $'000	2-3 Years $'000	3-5 Years $'000	Greater than 5 Years $'000	Total $'000
2011						
Payables	2,960	1,714	-	-	-	4,674
Total	2,960	1,714	-	-	-	4,674

MQA Consolidated	Less than 1 Year $'000	1-2 Years $'000	2-3 Years $'000	3-5 Years $'000	Greater than 5 Years $'000	Total $'000
2010						
Non-recourse loans	31,895	54,936	80,313	1,622,203	-	**1,789,347**
Payables	34,528	7,679	3,521	7,042	133,795	**186,565**
Derivative liability	52,267	41,560	16,951	19,470	(468)	**129,780**
Accrued interest rate swap liability	(33,735)	(33,753)	(26,230)	(29,624)	929,946	**806,604**
Total	84,955	70,422	74,555	1,619,091	1,063,273	**2,912,296**

MARL Group	Less than 1 Year $'000	1-2 Years $'000	2-3 Years $'000	3-5 Years $'000	Greater than 5 Years $'000	Total $'000
2010						
Payables	1,268	445	-	-	-	**1,713**
Total	1,268	445	-	-	-	**1,713**

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement and disclosure purposes.

MQA has adopted the amendment to AASB 7 *Financial Instruments*: *Disclosures* which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

(c) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables present MQA's and the MARL Group's assets and liabilities measured and recognised at fair value at 31 December 2011 and 2010.

MQA Consolidated	**Level 1 $'000 2011**	Level 1 $'000 2010	**Level 2 $'000 2011**	Level 2 $'000 2010	**Level 3 $'000 2011**	Level 3 $'000 2010	**Total $'000 2011**	Total $'000 2010
Liabilities								
Financial derivatives	**-**	-	**(428,674)**	(113,487)	**-**	-	**(428,674)**	(113,487)
Total Liabilities	**-**	-	**(428,674)**	(113,487)	**-**	-	**(428,674)**	(113,487)

MARL Group	**Level 1 $'000 2011**	Level 1 $'000 2010	**Level 2 $'000 2011**	Level 2 $'000 2010	**Level 3 $'000 2011**	Level 3 $'000 2010	**Total $'000 2011**	Total $'000 2010
Liabilities								
Financial derivatives	**-**	-	**-**	-	**-**	-	**-**	-
Total Liabilities	**-**	-	**-**	-	**-**	-	**-**	-

26 Financial Risk and Capital Management (continued)

Fair value estimation (continued)

The fair value of financial instruments that are not actively traded in an active market is determined using valuation techniques. Discounted cash flows are used to determine the fair value for financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance date.

Foreign exchange risk

In assessing foreign exchange risk, management has assumed the following movements in the Australian dollar:

— AUD/EUR exchange rate increased/decreased by 9 Euro cents (2010: 8 Euro cents)

— AUD/GBP exchange rate increased/decreased by 7 UK pence (2010: 6 UK pence)

— AUD/USD exchange rate increased/decreased by 20 United States cents (2010: 19 United States cents)

The below tables display the amounts for financial instruments that would be recognised in profit or loss or directly in equity if the movements in foreign exchange rates as outlined above occur. The Groups' management have determined the above movements in the Australian dollar to be a reasonably possible shift following analysis of foreign exchange volatility for relevant currencies over the last 5 years.

	Foreign exchange risk							
	Appreciation in foreign exchange rates				Depreciation in foreign exchange rates			
MQA Consolidated	**P&L 2011 $'000**	P&L 2010 $'000	**Equity 2011 $'000**	Equity 2010 $'000	**P&L 2011 $'000**	P&L 2010 $'000	**Equity 2011 $'000**	Equity 2010 $'000
Total financial assets	**(666)**	(898)	**-**	-	**939**	1,231	**-**	-
Total financial liabilities	**140**	242	**-**	-	**(175)**	(338)	**-**	-
Total	**(525)**	(656)	**-**	-	**764**	893	**-**	-

	Foreign exchange risk							
	Appreciation in foreign exchange rates				Depreciation in foreign exchange rates			
MARL Group	**P&L 2011 $'000**	P&L 2010 $'000	**Equity 2011 $'000**	Equity 2010 $'000	**P&L 2011 $'000**	P&L 2010 $'000	**Equity 2011 $'000**	Equity 2010 $'000
Total financial assets	**(352)**	(354)	**-**	-	**520**	513	**-**	-
Total financial liabilities	**1**	1	**-**	-	**(1)**	(2)	**-**	-
Total	**(351)**	(353)	**-**	-	**519**	511	**-**	-

26 Financial Risk and Capital Management (continued)

Interest rate risk

In assessing interest rate risk, management has assumed the following movements in the identified interest rates:

— Bank bill swap reference rate (AUD BBSW 90 days) increased/decreased by 139 bps (2010: 147 bps)

— Bank bill swap reference rate (EUR LIBOR 90 days) increased/decreased by 106 bps (2010: 117 bps)

— Bank bill swap reference rate (USD LIBOR 90 days) increased/decreased by 86 bps (2010: 98 bps)

— Bank bill swap reference rate (GBP LIBOR 90 days) increased/decreased by 119 bps (2010: 129 bps)

— London interbank offered rate (LIBOR 180 days) increased/decreased by 113 bps (2010: 125 bps)

— Bank bill swap reference rate (AUD BBSW 12 months) increased/decreased by 204 bps (2010: 193 bps)

The below tables display the amounts for financial instruments that would be recognised in profit or loss or directly in equity if the above interest rate movements occur. The Groups' management have determined the above movements in interest rates to be a reasonably possible shift following analysis of the interest spreads of comparable debt instruments over the past 5 years.

	Interest rate risk							
	Increase in interest rates				Decrease in interest rates			
MQA Consolidated	**P&L 2011 $'000**	P&L 2010 $'000	**Equity 2011 $'000**	Equity 2010 $'000	**P&L 2011 $'000**	P&L 2010 $'000	**Equity 2011 $'000**	Equity 2010 $'000
Total financial assets	**656**	589	**-**	-	**(656)**	(589)	**-**	-
Total financial liabilities	**(174)**	(168)	**319,168**	267,866	**174**	168	**(409,683)**	(357,772)
Total	**482**	421	**319,168**	267,866	**(482)**	(421)	**(409,683)**	(357,772)

	Interest rate risk							
	Increase in interest rates				Decrease in interest rates			
MARL Group	**P&L 2011 $'000**	P&L 2010 $'000	**Equity 2011 $'000**	Equity 2010 $'000	**P&L 2011 $'000**	P&L 2010 $'000	**Equity 2011 $'000**	Equity 2010 $'000
Total financial assets	**488**	462	**-**	-	**(488)**	(462)	**-**	-
Total financial liabilities	**-**	-	**-**	-	**-**	-	**-**	-
Total	**488**	462	**-**	-	**(488)**	(462)	**-**	-

Financial assets include cash and cash equivalents, receivables, prepayments and derivative financial assets.

Financial liabilities include derivative financial liabilities, payables and interest bearing financial liabilities.

Capital Management

The Groups' capital management objectives are to:

— Ensure sufficient capital resources to support the Groups' business and operational requirements; and

— Safeguard the Groups' ability to continue as a going concern.

Annual reviews of the Groups' capital requirements are performed to ensure the Groups are meeting their objectives.

Capital is defined as contributed equity plus reserves. As at 31 December 2011 the Groups do not have any externally imposed capital requirements.

27 Parent Entity Financial Information

(a) Summary financial information

In accordance with the *Corporations Act 2001,* the individual financial statements for MARIL and MARL, are shown in aggregate amounts below:

	MARIL	MARIL	**MARL**	MARL
	31 Dec 11 $'000	31 Dec 10 $'000	**31 Dec 11 $'000**	31 Dec 10 $'000
Statement of Financial Position				
Current assets	**10,534**	10,126	**11,989**	11,668
Non current assets	**836,930**	1,286,291	**117,173**	177,644
Total assets	**847,464**	1,296,417	**129,162**	189,312
Current liabilities	**(23,702)**	(9,006)	**(3,909)**	(1,244)
Total liabilities	**(57,607)**	(31,636)	**(5,623)**	(1,668)
Shareholders' equity				
Issued capital	**1,335,394**	1,316,674	**196,781**	194,640
Reserves	**-**	-	**-**	-
Retained earnings	**(545,537)**	(51,893)	**(73,242)**	(6,996)
	789,857	1,264,781	**123,539**	187,644
Profit/(loss) for the year	**(493,644)**	(51,893)	**(66,246)**	(6,996)
Total comprehensive income	**(493,644)**	(51,893)	**(66,246)**	(6,996)

(b) Guarantees entered into by the parent entities

MARIL and MARL have not provided any financial guarantees in respect of bank overdrafts and loans of subsidiaries as at 31 December 2011 and 31 December 2010. MARIL and MARL have not given any unsecured guarantees at 31 December 2011 and 31 December 2010.

(c) Contingent liabilities of the parent entities

Refer to Note 29 for MARIL and MARL's contingent liabilities as at 31 December 2011 and 31 December 2010.

(d) Contractual commitments for the acquisition of property, plant or equipment

As at 31 December 2011 and 31 December 2010, MARIL and MARL had no contractual commitments.

28 Commitments for Expenditure

Consolidated	**MQA**	MQA
	As at 31 Dec 2011 $'000	As at 31 Dec 2010 $'000
Operating leases commitments		
Commitments in relation to land leased by MEL from the Highways Agency in the UK and other non cancellable operating leases are payable as follows:		
Within one year	**17,066**	15,521
Later than one year but not later than five years	**73,356**	65,019
Later than five years	**1,304,731**	1,263,034
	1,395,153	1,343,574

MQA leases land from the Highways Agency in respect of the M6 Toll. The lease payments are established via a formula set out by the Highways Agency, which settles all costs associated with the purchase by the Highways Agency of that land, and interest on those costs 6% real per annum. Lease payments commenced in 2010 and will be made through to 2054.

Financial Report
for the year ended 31 December 2011

28 Commitments for Expenditure (continued)

Other Commitments

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 contribute up to a maximum of £70 million ($106 million) (2010: £70 million ($124.3 million)) towards a road enhancement project which would provide a link to the M6 Toll. This commitment amount is indexed according to the Road and Construction Tender Index from May 2006. As this contribution is conditional upon the project being undertaken at a future date, the Group believes that no provisions are necessary in the financial statements at 31 December 2011.

The MARL Group had no commitments for expenditure at 31 December 2011 and 31 December 2010.

29 Contingent Liabilities

MQA had the following contingent liabilities at 31 December 2011 and 31 December 2010. No provisions have been raised against these items unless stated below.

Warnow Tunnel

European Transport Investments (UK) Limited (ETI), a subsidiary of MARIL, has made two separate guarantees, totalling €1.2 million ($1.5 million) (2010: €1.2 million ($1.6 million)), in the event of a senior debt payment event of default by Warnowquerung GmbH & Co. KG, the owner of the Rostock Fixed Crossing Concession. The Group believes it is unlikely to have to make these contributions.

This contingent commitment is backed by an on-demand guarantee, provided through a blocked account into which €1.2 million ($1.5 million) (2010: €1.2 million ($1.6 million)) has been deposited. These funds are restricted and are not accessible.

South Bay Expressway

Macquarie Infrastructure US Pty Limited, a subsidiary of MARIL has provided letters of credit totalling US$1.5 million ($1.5 million) (2010: US$2.5 million ($2.4 million)) to several agencies which have granted environmental permits for the construction of the SBX. An amount of US$1.0 million (2010: US$1.1 million) has been repaid in the year. The Group believes it unlikely that there has been or will be any violation of the relevant environmental requirements which would require the letters of credit to be drawn.

The letters of credit are backed by an on-demand guarantee, provided through a secured cash deposit of US$1.5 million ($1.5 million) (2010: US$2.5 million ($2.4 million)).

30 Events Occurring After Balance Sheet Date

On 20 February 2012 Eiffarie SAS, the holding company for MQA and its co-investors' interest in the French motorway network Autoroutes Paris-Rhin-Rhône (APRR), signed a €2.765 billion five-year term loan with a syndicate of international banks. Proceeds of the new loan, together with proceeds from the interim dividend declared by APRR on 3 February 2012, will be applied towards the full repayment of Eiffarie's existing €3.8 billion debt facility, due to mature in February 2013.

In addition, APRR signed a €720 million revolving credit facility, which will replace its existing undrawn credit facilities.

These transactions have no impact on the carrying value of MQA's investment in Macquarie Autoroutes de France 2 SA, an associate of MQA, through which it holds its investment in Eiffarie SAS, at 31 December 2011.

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 years subsequent to the year ended 31 December 2011.

Financial Report
for the year ended 31 December 2011

Directors' Declaration – Macquarie Atlas Roads International Limited

The directors of Macquarie Atlas Roads International Limited (MARIL) declare that the Financial Report of MARIL and its controlled entities (MQA) and Notes set out on pages 13 to 64:

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

b) give a true and fair view of the Consolidated Statement of Financial Position of MQA as at 31 December 2011 and of its performance, for the financial year ended 31 December 2011;

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

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

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

Jeffrey Conyers
Chairman
Macquarie Atlas Roads International Limited
Pembroke, Bermuda
28 February 2012

Derek Stapley
Director
Macquarie Atlas Roads International Limited
Pembroke, Bermuda
28 February 2012

Financial Report
for the year ended 31 December 2011

Directors' Declaration – Macquarie Atlas Roads Limited

The directors of Macquarie Atlas Roads Limited (MARL) declare that the Financial Report of MARL and its controlled entities (the MARL Group) and Notes set out on pages 13 to 64 are in accordance with the constitution of MARL and the *Corporations Act 2001*, including:

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

b) giving a true and fair view of the Consolidated Statement of Financial Position of the MARL Group as at 31 December 2011 and of their performance, for the financial year ended 31 December 2011;

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

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

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.

David Walsh Chairman Macquarie Atlas Roads Limited Sydney, Australia 29 February 2012	Richard England Director Macquarie Atlas Roads Limited Sydney, Australia 29 February 2012

Independent auditor's report to the members of Macquarie Atlas Roads International Limited and Macquarie Atlas Roads Limited

Report on the financial reports

We have audited the accompanying financial reports of Macquarie Atlas Roads International Limited and Macquarie Atlas Roads Limited, which comprise the consolidated statements of financial position as at 31 December 2011, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the year ended on that date, a summary of significant accounting policies, other 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 year, and Macquarie Atlas Roads Limited and the entities it controlled during the year. Macquarie Atlas Roads Limited Group ("MARL Group") comprises Macquarie Atlas Roads Limited and the entities it controlled during the year.

Directors' responsibility for the financial reports

The directors of Macquarie Atlas Roads International Limited and Macquarie Atlas Roads Limited are responsible for the preparation of financial reports that give a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* (as applicable) and for such internal control as the directors determine is necessary to enable the preparation of financial reports that are free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial reports comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial reports based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial reports are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial reports. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial reports, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial reports in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial reports.

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Our procedures include reading the other information in the Financial Report to determine whether it contains any material inconsistencies with the financial statements and notes.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

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

Auditor's opinion

In our opinion:

(a) the financial reports of Macquarie Atlas Roads International Limited and Macquarie Atlas Roads Limited are in accordance with the *Corporations Act 2001* (as applicable), including:

  (i) giving a true and fair view of Macquarie Atlas Roads' and Macquarie Atlas Roads Limited Group's financial position as at 31 December 2011 and of their performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001* (as applicable); and

(b) the financial reports and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a).

Report on the Remuneration Report

We have audited the remuneration report for Macquarie Atlas Roads Limited included in pages 9 to 10 of the directors' report for the year ended 31 December 2011. The directors of Macquarie Atlas Roads Limited are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Macquarie Atlas Roads Limited for the year ended 31 December 2011, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Wayne Andrews

Wayne Andrews
Partner

Sydney
29 February 2012

MACQUARIE ATLAS ROADS

CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

MACQUARIE

This report comprises:

Macquarie Atlas Roads International Limited and its controlled entities

Directors' Report
for the year ended 31 December 2011

Directors' Report
for the year ended 31 December 2011

Contents

Relationship of the concise financial report to the full financial report

The concise financial report is an extract of the full financial report for the year ended 31 December 2011. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Macquarie Atlas Roads (MQA) as the full financial report. Further information can be obtained from the full financial report.

The full financial report and auditor's report will be sent to members on request, free of charge. Alternatively, you can access both the full financial report and the concise financial report via the internet at our Shareholders' centre on the website:
www.macquarieatlasroads.com.au

Directors' Report
for the year ended 31 December 2011

Directors' Report

The directors of Macquarie Atlas Roads International Limited (MARIL) submit the following report together with the Consolidated Financial Report of Macquarie Atlas Roads (MQA) for the year ended 31 December 2011. *AASB 3 Business Combinations* and *AASB 127 Consolidated and Separate Financial Statements* require one of the stapled entities of a stapled structure to be identified as the parent entity for the purpose of preparing a consolidated 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).

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 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 Group's activities during the year.

Directors

The following persons were directors of MARIL during the whole of the 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 year and up to the date of this report (unless otherwise stated):
- David Walsh (Chairman)
- John Roberts
- Richard England
- Jeffrey Conyers (resigned 3 August 2011)
- Marc de Cure (appointed 3 August 2011)

Dividends

No dividend was paid or declared by MARIL for the year ended 31 December 2011.

Review and Results of Operations

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

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

Directors' Report
for the year ended 31 December 2011

Review and Results of Operations (continued)

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

	MQA Year ended 31 Dec 2011 $'000	MQA Period ended 31 Dec 2010 $'000
Revenue and other income from continuing operations	**91,889**	103,113
Loss from continuing operations after income tax benefit	**(289,489)**	(227,646)
Profit from discontinued operations	**-**	746
Loss for the year/period	**(289,489)**	(226,900)
Loss attributable to:		
Equity holders of the parent – MARIL	**(227,461)**	(68,285)
Equity holders of other stapled entity – MARL (as non controlling interest/parent entity)	**(62,028)**	(74,203)
Stapled security holders	**(289,489)**	(142,488)
Other non-controlling interests	**-**	(84,412)
	(289,489)	(226,900)
	Cents	Cents
Basic loss from continuing operations attributable to MQA stapled security holders	**(63.43)**	(31.66)
Basic loss attributable to MQA stapled security holders	**(63.43)**	(31.50)

MQA's loss from continuing activities after tax for the year ended 31 December 2011 was $289.5 million (2010: $226.9 million). For further information on the results for the year, please refer to the Discussion and Analysis Section of the Concise Financial Report.

Significant Changes in State of Affairs

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

Events Occurring after Balance Sheet Date

On 20 February 2012 Eiffarie SAS, the holding company for MQA and its co-investors' interest in the French motorway network Autoroutes Paris-Rhin-Rhône (APRR), signed a €2.765 billion five-year term loan with a syndicate of international banks. Proceeds of the new loan, together with proceeds from the interim dividend declared by APRR on 3 February 2012, will be applied towards the full repayment of Eiffarie's existing €3.8 billion debt facility, due to mature in February 2013.

In addition, APRR signed a €720 million revolving credit facility, which will replace its existing undrawn credit facilities.

These transactions have no impact on the carrying value of MQA's investment in Macquarie Autoroutes de France 2 SA, an associate of MQA, through which it holds its investment in Eiffarie SAS, at 31 December 2011.

Since balance date, the directors of MARIL are not aware of any other matter or circumstance not otherwise dealt with in the Directors' Report that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in years subsequent to the year ended 31 December 2011.

Likely Developments and Expected Results of Operations

Further information on likely developments relating to the operations of the Group in future years and the expected results of those operations have not been included in this report because the directors of MARIL believe it would be likely to result in unreasonable prejudice to the Group.

Directors' Report
for the year ended 31 December 2011

Indemnification and Insurance of Officers and Auditors

During the year, MARIL paid premiums of $126,062 to insure the directors and officers of MARIL. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the directors and officers in their capacity as directors and officers of MARIL and any other payments arising from liabilities incurred by the directors and officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the directors and officers or the improper use by the directors and officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to MARIL. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities. So long as the directors and officers of MARIL act in accordance with the Constitutions and the law, the directors and officers remain indemnified out of the assets of the Group against any losses incurred while acting on behalf of the Group.

The auditors of the Group are in no way indemnified out of the assets of the Group.

Environmental Regulation

The operations of the underlying assets in which the Group invest are subject to environmental regulations particular to the countries in which they are located.

The following environmental regulations apply to MQA's controlled assets:

United Kingdom

Midland Expressway Limited constructed the M6 Toll road under a series of orders made in 1998 by the Secretary of State for Transport pursuant to his powers under the Highways Act 1980 and the New Roads and Street Works Act 1991. Prior to that, the M6 Toll had been the subject of a full environmental impact assessment that was considered in detail at a public inquiry held in 1994 and 1995. The public inquiry produced a list of specific environmental commitments and undertakings. There have been no significant breaches of the environmental legislation, commitments or undertakings.

Rounding of Amounts in the Directors' Report and the Concise Financial Report

The Group is 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 Concise Financial Report. Amounts in the Directors' Report and Concise Financial Report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

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

Jeffrey Conyers Chairman Macquarie Atlas Roads International Limited Pembroke, Bermuda 28 February 2012	Derek Stapley Director Macquarie Atlas Roads International Limited Pembroke, Bermuda 28 February 2012

Concise Financial Report
for the year ended 31 December 2011

Consolidated Statements of Comprehensive Income

	Note	MQA Year ended 31 Dec 2011 $'000	MQA Period ended 31 Dec 2010 $'000
Revenue and other income from continuing operations			
Revenue from continuing operations		**91,850**	103,113
Other income from continuing operations		**39**	-
Total revenue and other income from continuing operations	2(i)	**91,889**	103,113
Operating expenses from continuing operations			
Finance costs		**(102,642)**	(95,619)
Other operating expenses		**(206,679)**	(96,399)
Total operating expenses from continuing operations	2(ii)	**(309,321)**	(192,018)
Share of net loss of investments accounted for using the equity method		**(90,331)**	(208,755)
Gain on deconsolidation	2(ii)	**-**	54,018
Loss from continuing operations before income tax benefit		**(307,763)**	(243,642)
Income tax benefit		**18,274**	15,996
Loss from continuing operations after income tax benefit		**(289,489)**	(227,646)
Profit from discontinued operations		**-**	746
Loss for the year/period		**(289,489)**	(226,900)
Other comprehensive income			
Exchange differences on translation of foreign operations		**(11,400)**	92,849
Cash flow hedges, net of tax		**(315,998)**	(43,879)
Other comprehensive income for the year/period, net of tax		**(327,398)**	48,970
Total comprehensive income for the year/period		**(616,887)**	(177,930)
Loss attributable to:			
Equity holders of the parent entity – MARIL		**(227,461)**	(68,285)
Equity holders of other stapled entity – MARL (as non-controlling interest/ parent entity)		**(62,028)**	(74,203)
Stapled security holders		**(289,489)**	(142,488)
Other non-controlling interest		**-**	(84,412)
		(289,489)	(226,900)
Total comprehensive income attributable to:			
Equity holders of the parent entity – MARIL		**(554,278)**	4,526
Equity holder of other stapled entity – MARL (as non-controlling interest/ parent entity)		**(62,609)**	(85,975)
Stapled security holders		**(616,887)**	(81,449)
Other non-controlling interest		**-**	(96,481)
		(616,887)	(177,930)
Basic Loss from continuing operations attributable to MQA stapled security holders		**(63.43)**	(31.66)
Basic Loss attributable to MQA stapled security holders		**(63.43)**	(31.50)

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

Concise Financial Report
for the year ended 31 December 2011

Consolidated Statements of Financial Position

	Note	MQA As at 31 Dec 2011 $'000	MQA As at 31 Dec 2010 $'000
Current assets			
Cash and cash equivalents		**56,114**	66,047
Receivables		**6,966**	8,343
Prepayments		**953**	998
Total current assets		**64,033**	75,388
Non-current assets			
Investments accounted for using the equity method	3	**753,412**	931,068
Property, plant and equipment		**742,209**	773,195
Tolling concessions		**70,255**	72,317
Total non-current assets		**1,565,876**	1,776,580
Total assets		**1,629,909**	1,851,968
Current liabilities			
Payables		**(51,054)**	(34,528)
Interest-bearing financial liabilities	5	**(3,803)**	-
Derivative financial instruments	4	**(34,094)**	(34,299)
Total current liabilities		**(88,951)**	(68,827)
Non-current liabilities			
Payables		**(174,891)**	(152,037)
Interest-bearing financial liabilities	5	**(1,760,943)**	(1,726,056)
Derivative financial instruments	4	**(394,580)**	(79,188)
Deferred tax liabilities		**(31,862)**	(51,152)
Total non-current liabilities		**(2,362,276)**	(2,008,433)
Total liabilities		**(2,451,227)**	(2,077,260)
Net (liabilities)/assets		**(821,318)**	(225,292)
Equity			
Equity attributable to equity holders of the parent – MARIL			
Contributed equity		**1,335,394**	1,316,674
Reserves		**(1,909,163)**	(1,582,346)
Accumulated losses		**(295,746)**	(68,285)
MARIL security holders' interest		**(869,515)**	(333,957)
Equity attributable to other stapled security holders – MARL			
Contributed equity		**196,781**	194,640
Reserves		**(12,353)**	(11,772)
Accumulated losses		**(136,231)**	(74,203)
Other stapled security holders' interest		**48,197**	108,665
Total equity		**(821,318)**	(225,292)

The above Consolidated Statements of Financial Position should be read in conjunction with the accompanying notes.

Concise Financial Report
for the year ended 31 December 2011

Consolidated Statements of Changes in Equity

MQA	Attributable to MARIL security holders						
	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	**Total $'000**	Attributable to MARL security holders $'000	Other Non-controlling interest $'000	**Total equity $'000**
Total equity at 1 January 2011	1,316,674	(1,582,346)	(68,285)	**(333,957)**	108,665	-	**(225,292)**
Loss for the year	-	-	(227,461)	**(227,461)**	(62,028)	-	**(289,489)**
Exchange differences on translation of foreign operations	-	(10,819)	-	**(10,819)**	(581)	-	**(11,400)**
Cash flow hedges, net of tax	-	(315,998)	-	**(315,998)**	-	-	**(315,998)**
Total comprehensive income	-	(326,817)	(227,461)	**(554,278)**	(62,609)	-	**(616,887)**
Transactions with equity holders in their capacity as equity holders:							
Application of performance fees to subscription for new securities	18,720	-	-	**18,720**	2,141	-	**20,861**
	18,720	-	-	**18,720**	2,141	-	**20,861**
Total equity at 31 December 2011	1,335,394	(1,909,163)	(295,746)	**(869,515)**	48,197	-	**(821,318)**

MQA	Attributable to MARIL security holders						
	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	**Total $'000**	Attributable to MARL security holders $'000	Other Non-controlling interest $'000	**Total equity $'000**
Total equity at 15 December 2009	-	-	-	**-**	-	-	**-**
Loss for the period	-	-	(68,285)	**(68,285)**	(74,203)	(84,412)	**(226,900)**
Exchange differences on translation of foreign operations	-	116,690	-	**116,690**	(11,772)	(12,069)	**92,849**
Cash flow hedges, net of tax	-	(43,879)	-	**(43,879)**	-	-	**(43,879)**
Total comprehensive income	**-**	72,811	(68,285)	**4,526**	(85,975)	(96,481)	**(177,930)**
Transactions with equity holders in their capacity as equity holders:							
Demerger of MIG	1,316,674	(1,655,157)	-	**(338,483)**	194,640	175,702	**31,859**
Distribution provided for or paid	-	-	-	**-**	-	(287)	**(287)**
Deconsolidation of subsidiaries	-	-	-	**-**	-	(78,934)	**(78,934)**
	1,316,674	(1,655,157)	-	**(338,483)**	194,640	96,481	**(47,362)**
Total equity at 31 December 2010	1,316,674	(1,582,346)	(68,285)	**(333,957)**	108,665	-	**(225,292)**

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

Concise Financial Report
for the year ended 31 December 2011

Consolidated Statements of Cash Flows

	Note	MQA Year ended 31 Dec 2011 $'000	MQA Period ended 31 Dec 2010 $'000
Cash flows from operating activities			
Toll revenue received		**105,374**	112,515
Interest received		**1,226**	4,396
Net indirect taxes (paid)/received		**(18,163)**	(13,017)
Payments to suppliers and employees (inclusive of GST/VAT)		**(16,335)**	(22,411)
Manager's and Adviser's base fees paid		**(14,717)**	(7,101)
Manager's and Adviser's performance fees paid		**-**	(4,206)
Payments on settlement of derivative financial instruments		**-**	(3,157)
Reimbursement of bid costs		**-**	6,504
Operating lease rent paid		**(16,725)**	(17,008)
Net Income taxes refunded/(paid)		**214**	(202)
Other income received		**4,043**	10,639
Net cash flows from operating activities		**44,917**	66,952
Cash flows used in investing activities			
Payment for purchase of investments (including transaction costs)		**(328)**	(219,948)
Proceeds from sale of property, plant and equipment		**128**	-
Payments for purchase of property, plant and equipment		**(1,880)**	(1,149)
Proceeds from return of capital from investments		**-**	315
Deconsolidated cash balance from discontinued operations		**-**	(509)
Net cash flows used in investing activities		**(2,080)**	(221,291)
Cash flows from financing activities			
Proceeds from issue of equity prior to demerger of MIG		**-**	151,722
Cash acquired on the acquisition of subsidiaries		**-**	140,259
Proceeds from bank borrowings		**1,980**	1,144
Borrowing costs paid		**(54,933)**	(59,326)
Net cash flows from financing activities		**(52,953)**	233,799
Net increase/(decrease) in cash assets held		**(10,116)**	79,460
Cash and cash equivalents at the beginning of the year		**66,047**	-
Effects of exchange rate movements on cash and cash equivalents		**183**	(13,413)
Cash and cash equivalents at the end of the year/period		**56,114**	66,047

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

Concise Financial Report
for the year ended 31 December 2011

Discussion and Analysis

Overview of operating performance

MQA consolidates the wholly owned M6 Toll's income and expense items into in 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.

The loss for the period ended 31 December 2011 was $289.5 million (2010: $226.9 million) and the loss attributable to MQA stapled security holders for the year ended 31 December 2011 was $289.5 million (2010: $142.5 million). These results are reflective of accounting losses recorded in respect of MQA's toll road assets.

The comparative results reflect ownership of the asset portfolio only from 2 February to 31 December 2010.

Revenue from continuing activities of $91.9 million (2010: $103.1 million)

Revenue from continuing activities primarily comprises tolling and other revenue relating to the M6 Toll of $90.8 million (2010: $99.0 million) and interest income of $1.2 million (2010: $3.9 million). The decrease in MQA revenue of $11.2 million is primarily due to lower traffic at the controlled M6 Toll and the impact of a stronger Australian dollar against the Great British Pound (GBP). There was also a decrease in interest income at the MQA fund level due to the lower average cash balance during the current year following the acquisition of APRR minorities in June 2010.

Finance costs of $102.6 million (2010: $95.6 million)

MQA finance costs of $102.6 million (2010: $95.6 million) comprise solely of interest expense relating to the M6 Toll debt. The increase reflects ownership of the M6 Toll for the full year offset by the impact of the stronger Australian dollar against GBP during the period.

Other operating costs of $206.7 million (2010: $96.4 million)

Other operating expenses include costs associated with operations at the M6 Toll of $71.9 million (2010: $65.5 million), manager's and adviser's base fees and performance fees of $64.5 million (2010: $22.9 million) and a provision for impairment on its non-controlled investments of $67.4 million (2010: $Nil). During the year ended 31 December 2011 MQA recognised the full 30 June 2011 performance fee, including instalments which may become payable in future periods.

Share of net loss of equity accounted investments of $90.3 million (2010: $208.8 million)

The loss for the period includes MQA's share of net losses of investments relating to its non controlled toll road assets of $90.3 million (2010: $208.8 million). These results include fair value losses on interest rate swaps of $70.1 million (2010: $104.6 million). Such movements in fair value are recognised in MQA's profit or loss for the year regardless as to whether the non-controlled asset accounts for these instruments as effective cash flow hedges and recognises these movements through its reserves. This can result in significant volatility in MQA's results in a given period as market expectations of interest rates fluctuate.

MQA's share of net losses is made up as follows: Autoroutes Paris-Rhine-Rhône (APRR) $21.6 million (2010: $119.1 million), Dulles Greenway $18.2 million (2010: $20.3 million), Chicago Skyway $50.5 million (2010: $35.5 million), Indiana Toll Road $Nil (2010:$32.6 million) and Warnow Tunnel $Nil (2010:$1.3 million).

The decrease in the share of net losses of investments accounted for using the equity method is primarily due to lower fair value losses on interest rate swaps and a change in the ownership structure of APRR during the prior period. Additionally, no further losses have been recognised during the current period in relation to Indiana Toll Road and Warnow Tunnel as their carrying values were reduced to $Nil at 31 December 2010.

Gain on deconsolidation of $Nil (2010: $54.0 million)

In the prior period a non-recurring gain on deconsolidation of $54.0 million arose as a consequence of the APRR minorities' acquisition in June 2010.

Components of other comprehensive income are discussed in the discussion and analysis of statement of changes in equity.

Concise Financial Report
for the year ended 31 December 2011

Discussion and analysis of financial position

MQA consolidates the wholly owned M6 Toll's assets and non-recourse liabilities in its statutory financial statements. MQA's investments in its non controlled toll road assets are disclosed as investments accounted for using the equity method.

MQA's statement of financial position shows a net liability position of $821.3 million (2010: $225.3 million) as at 31 December 2011. This has been driven by M6 Toll related balances: its non-recourse liabilities of $2.4 billion (2010: $2.1 billion) exceed the depreciated carrying value of its toll road related assets of $0.8 billion (2010: $0.8 billion).

The movement in the net liability position during the year primarily reflects:

- A decrease in the fair value of the interest rate swaps hedging the non-recourse debt at the M6 Toll. The decrease in fair value during the year reflecting the decrease in the forward interest rate curve.
- The recognition of MQA's share of net losses and a provision for impairment in relation to its investments in non controlled toll road assets.

Refer to Note 1 (a) for further discussion on the deficiency of net assets.

MQA's investments in its non controlled assets of $753.4 million (2010: $931.1 million) comprises its interests in APRR $596.1 million (2010: $636.5 million) and Dulles Greenway $157.3 million (2010: $243.6 million). MQA's share of losses of Chicago Skyway for the period reduced the carrying value of this investment to $Nil (2010: $51.0 million). MQA's interests in Indiana Toll Road and Warnow Tunnel were $Nil at both 31 December 2011 and 2010.

Discussion and analysis of statement of changes in equity

During the year performance fees totalling $20.9 million were applied to a subscription for 11,933,687 securities. There were no other issues of securities during the current year. In the prior period, as part of the demerger from MIG, MQA issued 452,345,905 securities for the transfer of MQA's portfolio of toll roads assets and cash balances.

At 31 December 2011, reserves comprised a foreign currency translation reserve of $93.5 million (2010: $104.9 million), a negative cash flow hedging reserve of $455.0 million (2010: $139.0 million) and a negative other reserve of $1,560.0 million (2010: $1,560.0 million).

The movement in reserves is primarily attributable to the decrease in the fair value of the interest rate swaps hedging the non-recourse debt at the M6 Toll, reflecting the downward shift in the forward interest rate curve, which have been taken to the cash flow hedging reserve in accordance with Australian Accounting Standards.

Where an investment in a toll road company is held by a group entity having a non Australian dollar functional currency, but the same functional currency as the assets, the effects of foreign exchange that result from the translation of that group entity's assets and liabilities are taken to the foreign currency translation reserve. A net loss of $11.4 million was recognised through the foreign currency translation reserve reflecting the impact of a strengthening Australian dollar against the Euro on MQA's investment in APRR, offset by a gain on translation of M6 Toll related GBP net liabilities.

The other reserve balance represents the difference between the fair value of securities issued on the demerger from MIG, as noted above, and the historical cost carrying values of certain assets transferred as part of the transaction.

Discussion and analysis of statement of cash flows

The decrease in the cash position during the year reflects primarily an increase in manager and adviser base fees paid and a decrease in interest received due to the lower average cash balance during the current year.

The decrease in the cash balance during the prior period primarily reflected MQA's participation in the acquisition of a further interest in APRR from minority shareholders. MQA contributed a total of €155.0 million (excluding transaction costs).

Concise Financial Report
for the year ended 31 December 2011

Notes to the Consolidated Financial Statements

1 Summary of Significant Accounting Policies

The significant policies which have been adopted in the preparation of these consolidated financial statements are stated to assist in a general understanding of this concise financial report. These policies have been consistently applied to all periods presented, unless otherwise stated.

Below is an extract of the Summary of Significant Accounting Policies. A description of all the accounting policies adopted by MQA may be found in the full financial report.

(a) Basis of preparation

This concise financial report has been prepared in accordance with the *Corporations Act 2001* and the Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

The concise financial report was authorised for issue by the directors of the Macquarie Atlas Roads International Limited (MARIL) Board on 28 February 2012. The Board have the power to amend and reissue the concise financial report.

Presentation currency

The consolidated financial statements are presented in Australian dollars, which is the functional currency of the MARIL.

Going concern and deficiency of net assets

The Financial Reports have been prepared on a going concern basis. At 31 December 2011, MQA had a net current liability position of $24.9 million (31 December 2010: net current asset position of $6.6 million) and MARIL, the parent entity of the Group, had a net current liability position of $13.2 million (31 December 2010: net current asset position of $1.1 million). Included within MQA's and MARIL's current payables are performance fees of $20.8 million (31 December 2010: $4.2 million) and $18.7 million (31 December 2010: $3.7 million) respectively which may become payable at 30 June 2012 (subject to performance criteria continuing to be satisfied).

Management forecasts indicate that MQA will be able to meet its liabilities as and when they become due and payable, including current performance fees which may become payable at 30 June 2012, assuming that Macquarie Fund Advisers Pty Limited (MFA) and MQA's independent directors agree that these fees be applied to a subscription for new MQA securities, as was agreed in relation to the 30 June 2011 performance fee payments. Where no such agreement is reached the Directors consider that other funding alternatives will be available to meet any resulting shortfall of available cash.

As at 31 December 2011 MQA also had a deficiency of capital and reserves of $821.3 million (31 December 2010: $225.3 million). This is primarily driven by M6 Toll related balances: its non-recourse liabilities of $2.4 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 commitments to provide further debt or equity funding to the M6 Toll in order to meet these liabilities. Operating cash flows of the M6 Toll are expected to be sufficient to service the ongoing interest charges on the non-recourse loans for at least the next 12 months from the date of this report. However, the outlook for future economic conditions in the United Kingdom remains uncertain and, as a consequence, the future traffic, revenue performance and ongoing compliance with debt covenants of the M6 Toll will be subject to economic factors outside its control.

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 ASX as stapled securities in MQA. The shares of MARIL and Macquarie Atlas Roads Limited (MARL) cannot be traded separately and can only be traded as stapled securities.

The concise financial report consists of consolidated financials statements of MARIL which comprises of MARIL and its controlled entities and MARL and its controlled entities, together acting as MQA.

Concise Financial Report
for the year ended 31 December 2011

1 Summary of Significant Accounting Policies (continued)

(a) Basis of preparation (continued)

Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year. The comparative period for MQA was from 15 December 2009 to 31 December 2010. In addition, the period of ownership of the Group's toll road investments commenced from the MIG demerger on 2 February 2010. Therefore, the results of the current year are not directly comparable to the results of the prior period.

Business combinations under common control

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

(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 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.

(c) Principles of consolidation

The consolidated financial statements of MQA incorporate the assets and liabilities of the entities controlled by MARIL for the year ended 31 December 2011, including those deemed to be controlled by MARIL by identifying it as the parent of MQA, and the results of those controlled entities for the year then ended. 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 MARIL.

Subsidiaries

Subsidiaries, other than those that MARIL has been deemed to have directly acquired through stapling arrangements, are those entities over which the Group 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 Group controls another entity.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. 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 Group 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 Group's investment in associates includes the fair value of goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is 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.

Concise Financial Report
for the year ended 31 December 2011

1 Summary of Significant Accounting Policies (continued)

(c) Principles of consolidation (continued)

Associates (continued)

When the Group's 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 Group's net investment in the associate, the Group does not recognise further losses, unless they have incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and their associates are eliminated to the extent of the Group's 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 Group.

Transactions with Non-Controlling Parties

Equity transactions with non-controlling entities are recognised in the Group's financial statements using the economic entity method, whereby transactions with non-controlling parties are treated as transactions with equity participants.

(d) Business Combinations

The acquisition method of accounting is used to account for all business combinations other than those under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts have been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of the cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange.

Business combinations under common control are accounted for in the consolidated accounts prospectively from the date the Group obtains the ownership interest. Assets and liabilities are recognised upon consolidation at their carrying amount in the consolidated financial statements of the ultimate parent entity at the time. Any difference between the fair value of the consideration paid and the historical amounts at which the assets and liabilities are recorded is recognised directly in equity in the other reserve.

(e) Impairment of assets

The carrying amount of tolling concessions, non controlled investments, leasehold improvements and property, plant and equipment is assessed every reporting year 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 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.

Concise Financial Report
for the year ended 31 December 2011

1 Summary of Significant Accounting Policies (continued)

(f) Critical Accounting Estimates and Judgements

The preparation of the Financial Report 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 Financial Report are reasonable. Actual results in the future may differ from those reported.

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

Income Tax

The Group is 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 Group recognises anticipated tax liabilities based on their understanding of the current tax law.

In addition, the Group has recognised deferred tax assets relating to carried forward losses to the extent these 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(e) the carrying amount of tolling concessions, non controlled investments, leasehold improvements and property, plant and equipment is assessed every reporting period to determine whether there are indications of any impairment of the carrying value. If that is the case, an impairment charge is taken against the carrying amount of the assets, if that is higher than the recoverable amount. There are also judgements involved in assessing impairment indicators.

2 Loss for the year / period

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

(i) Revenue from continuing operations

Consolidated	MQA Year ended 31 Dec 2011 $'000	MQA Period ended 31 Dec 2010 $'000
Revenue from continuing operations		
Toll revenue	**87,460**	94,724
Other revenue	**3,165**	4,491
Interest Income:		
Related parties	**183**	163
Other persons and corporations	**1,042**	3,735
Total Interest income	**1,225**	3,898
Total revenue from continuing operations	**91,850**	103,113
Other income from continuing operations		
Gain on derivative financial instruments	**39**	-
Total Other income from continuing operations	**39**	-
Total revenue & Other income from continuing operations	**91,889**	103,113

Concise Financial Report
for the year ended 31 December 2011

2 Loss for the year (continued)

(ii) Operating expenses from continuing operations

Consolidated	MQA Year ended 31 Dec 2011 $'000	MQA Period ended 31 Dec 2010 $'000
Operating expenses from continuing operations		
Finance costs:		
Interest expense:		
Other persons and corporations	**102,642**	95,619
Total Finance Costs	**102,642**	95,619
Other operating expenses:		
Loss on derivative financial instruments	**-**	490
Amortisation of tolling concessions	**1,698**	1,668
Depreciation:		
Plant and machinery	**3,921**	3,624
Land and buildings	**714**	705
Toll road	**24,230**	20,356
	28,865	24,685
Cost of operations:		
Employment costs	**7,047**	6,987
Operating expenses	**5,168**	5,202
Operating lease rentals	**29,161**	26,816
	41,376	39,005
Other operating expenses:		
Consulting and administration fees	**1,526**	1,551
Manager's and Adviser's base fees	**14,392**	10,425
Manager's and Adviser's performance fees	**50,106**	12,476
Net Foreign exchange loss/(gain)	**254**	2,490
Provision for Impairment**	**67,373**	-
Other expenses	**1,089**	3,609
	134,740	30,551
Total other operating expenses	**206,679**	96,399
Total operating expenses from continuing operations	**309,321**	192,018
Gain on deconsolidation *	**-**	54,018

* On 17 June 2010, MQA announced that an agreement had been reached by Eiffarie SAS (Eiffarie) to acquire a further 13.73% interest in APRR from minority shareholders for €55.00 per APRR share. Eiffarie is a wholly owned subsidiary of Financiere Eiffarie SAS (FE). The total acquisition price was €853.7 million. MQA contributed a total of €155.0 million, funded from its existing cash reserves. As a consequence of this transaction, on 21 June 2010 MQA ceased to control Macquarie Autoroutes de France SAS (MAF), MAF Finance Sarl (MAF Finance), MARI SAS and MARE SAS and MQA recognised a gain on deconsolidation of subsidiaries of $54.0 million. Refer to Note 3 (b).

** The provision for impairment in MQA relates to Dulles Greenway. Refer to Note 3 (b).

Concise Financial Report
for the year ended 31 December 2011

3 Investments accounted for using the Equity Method

	MQA As at 31 Dec 2011 $'000	MQA As at 31 Dec 2010 $'000
Shares in associates – equity method	**753,412**	931,068
	753,412	931,068

Information relating to associates is set out below:

(a) Carrying amounts

Name of Entity	Country of incorporation	Principal Activity	Ownership Interest As at 31 Dec 2011 and 31 Dec 2010 %	MQA As at 31 Dec 2011 $'000	MQA As at 31 Dec 2010 $'000
Macquarie Autoroutes de France 2 SA	Luxembourg	Investment in toll road network located in the east of France (APRR)	**38.9**	**596,100**	636,446
Dulles Greenway Partnership*	USA	Investment in toll road located in northern Virginia, USA	**50.0**	**157,312**	243,608
Chicago Skyway Partnership	USA	Investment in toll road located south of Chicago, USA	**50.0**	**-**	51,014
Indiana Toll Road Partnership	USA	Investment in toll road located in northern Indiana, USA	**49.0**	**-**	-
Warnowquerung GmbH & Co KG (WKG) (limited partnership)**	Germany	Investment in toll road located in Rostock, north-eastern Germany	**70.0**	**-**	-
				753,412	931,068

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

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

South Bay Expressway

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

Concise Financial Report
for the year ended 31 December 2011

3 Investments Accounted for using the Equity Method (continued)

(b) Movement in carrying amounts

	MQA Year ended 31 Dec 2011 $'000	MQA Period ended 31 Dec 2010 $'000
Carrying amount at the beginning of the year	**931,068**	-
Associates acquired during MIG Demerger	**-**	1,336,183
Disposal of associates *	**-**	(663,781)
Associates acquired/equity invested *	**71**	646,586
Share of losses after income tax **	**(90,331)**	(208,755)
Provision for impairment***	**(67,373)**	-
Distributions received/receivable	**-**	(297)
Foreign exchange movement	**(20,023)**	(178,868)
Carrying amount at the end of the year	**753,412**	931,068

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

** Included in the share of losses after income tax are fair value losses on interest rate swaps of $70.1 million (2010: fair value losses of $104.6 million) for which hedge accounting has not been applied.

*** The provision for impairment of $67.4 million arose in relation to its economic interests in Toll Road Investors Partnership II LP, the concessionaire for Dulles Greenway. The provision reflects uncertainty in the outlook for economic and traffic conditions.

The recoverable amount has been determined on a value in use basis. A discount rate of 12.5% was used in determining the value in use (30 June 2011:12.5%).

(c) Share of associates' profits or losses

	MQA Year ended 31 Dec 2011 $'000	MQA Period ended 31 Dec 2010 $'000
Group's share of:		
Revenue	**671,430**	1,072,189
Expenses	**(1,083,906)**	(1,368,316)
Loss before income tax	**(412,476)**	(296,127)
Income tax (expense)/benefit	**(13,443)**	(27,893)
Loss after income tax	**(425,909)**	(324,020)

(d) Share of associates assets and liabilities

	MQA Year ended 31 Dec 2011 $'000	MQA Period ended 31 Dec 2010 $'000
Group's share of:		
Assets	**6,317,945**	6,460,658
Liabilities	**(5,935,376)**	(5,630,140)
Net assets/(liabilities)	**382,569**	830,518

(e) Share of contingent liabilities of associates

As at 31 December 2011 and at 31 December 2010, there were no share of contingent liabilities incurred jointly with other investors and no contingent liabilities relating to liabilities of the associate for which MARIL is severally liable. Refer to Note 8 for details of contingent liabilities relating to associates.

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

	MQA Year ended 31 Dec 2011 $'000	MQA Period ended 31 Dec 2010 $'000
Carrying amount at the beginning of the year/period	**(115,265)**	-
Share of associates' losses not brought to account	**(335,578)**	(115,265)
Carrying amount at the end of the year/period	**(450,843)**	(115,265)

Concise Financial Report
for the year ended 31 December 2011

4 Derivative Financial Instruments

Consolidated	**MQA As at 31 Dec 2011 $'000**	MQA As at 31 Dec 2010 $'000
Current liabilities		
Interest rate swap contracts	**34,094**	34,299
Total current derivative financial instrument liabilities	**34,094**	34,299
Non-current liabilities		
Interest rate swap contracts	**394,580**	79,188
Total non-current derivative financial instrument liabilities	**394,580**	79,188

Instruments used by MQA

At 31 December 2011, MQA is party to derivative financial instruments entered into in the normal course of business, in order to hedge exposure to fluctuations in interest rates in accordance with the Group's financial risk management policies.

Interest rate swap contracts – cash flow hedges

In 2006, Macquarie Motorways Group Limited (MMG), a subsidiary of MQA, entered into a 30 year interest rate hedge, such that all floating rate payments due on the £1.0 billion ($1.5 billion) term loan (refer to Note 5) have been fixed. The swap contracts entered into have structured fixed payments at levels that increase from year to year. The levels of fixed payments start at a low rate and then increase over 20 years until they reach a plateau rate for the remainder of the term. The swap contracts are currently being settled on a six monthly basis.

The interest rate swap contracts have been designated and qualify as a cash flow hedge. The gain or loss arising from remeasuring the hedging instruments at fair value is deferred in equity in the hedging reserve, to the extent that the hedge is effective, and re-classified into the profit or loss when the hedged interest expense is recognised.

At 31 December 2011 these contracts were liabilities with a fair value of £283.1 million ($428.7 million) (2010: £74.5 million ($113.5 million)) and have been disclosed as derivative financial instrument liabilities in the Statement of Financial Position. The fair value movement of the swaps in the year was a loss of £208.6 million ($316.0 million) (2010: £21.8 million ($44.4 million)). Of this movement a loss of £208.6 million ($316.0 million) (2010: £21.6 million ($43.9 million)) has been recognised in the Statement of Changes in Equity in the cash flow hedging reserve and a gain of £0.02 million ($0.04 million) (2010: Loss of £0.2 million ($0.5 million)) has been recognised in profit or loss.

A liability of £147.2 million ($222.8 million) (2010: £116.2 million ($176.9 million)) has been recognised in interest bearing financial liabilities to reflect the low rates of fixed payments currently being paid under the swap contracts.

At 31 December 2011, the notional principal amounts and years of expiry of MMG's interest rate swap contracts are:

Consolidated	**MQA As at 31 Dec 2011 $'000**	MQA As at 31 Dec 2010 $'000
1 - 5 years	**-**	-
20 - 25 years	**1,514,067**	1,522,363

Concise Financial Report
for the year ended 31 December 2011

5 Interest Bearing Financial Liabilities

Consolidated	Note	**MQA As at 31 Dec 2011 $'000**	MQA As at 31 Dec 2010 $'000
Current			
Non-recourse loans	(i)	**3,803**	-
		3,803	-
Non-current			
Non-recourse loans	(i)	**1,538,144**	1,549,111
Accrued interest rate swap liability	(ii)	**222,799**	176,945
		1,760,943	1,726,056
The maturity profile of the above interest bearing financial liabilities is:			
Due within one year		**3,803**	-
Due between one and five years		**1,538,144**	1,549,111
Due after five years		**222,799**	176,945
		1,764,746	1,726,056

(i) Non-recourse Loans

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

The non-recourse loans represent debt facilities of £1.03 billion ($1.5 billion) (31 December 2010: £1.03 billion ($1.5 billion)) of 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 £2.5 million ($3.8 million) commencing in 2012 and included in the current non-recourse loan balance. The facilities comprise a £1.0 billion ($1.5 billion)) (31 December 2010: £1.0 billion ($1.5 billion)) term loan and a £30.0 million ($45.4 million) (31 December 2010: £30.0 million ($45.7 million)) capital expenditure facility. Interest on the drawn facilities is charged at a margin over the London Inter Bank Offer Rate (LIBOR). At 31 December 2011 the interest rate was 2.73% (31 December 2010: 2.22%).

At 31 December 2011, the term loan was fully drawn down and £10.14 million ($15.4 million) (31 December 2010: £8.86 million ($13.5 million)) of the capital expenditure facility had been utilised. The facilities have certain covenants attached and are secured by way of a debentures over MEL's assets.

Interest rate hedging has been put in place in relation to 100% of the face value of the term loan and future refinancing to 2036. Interest expense on the term loan is calculated by applying the effective fixed interest rate of 5.82% (31 December 2010: 5.67%).

(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 31 December 2011, this element incurs fixed interest at 7.12% (31 December 2010: 7.12%) per annum.

Concise Financial Report
for the year ended 31 December 2011

6 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 board of directors.

The MARIL Board consider the business from the aspect of each of the toll roads and has identified six operating segments for MQA. The segments of MQA are the investments in M6 Toll, APRR, Warnow Tunnel, Indiana Toll Road, Chicago Skyway and Dulles Greenway.

The operating segment note discloses the segment revenue and segment EBITDA for the year ended 31 December 2011 and segment assets at 31 December 2011 by individual portfolio asset. The Board is 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 Board

The segment information provided to the MQA Board for the reportable segments for the year ended 31 December 2011 and period ended 31 December 2010, based on MQA's effective ownership interest is as follows:

	Indiana Toll Road Year ended 31 Dec 2011 $'000	Chicago Skyway Year ended 31 Dec 2011 $'000	Dulles Greenway Year ended 31 Dec 2011 $'000	M6 Toll Year ended 31 Dec 2011 $'000	APRR Year ended 31 Dec 2011 $'000	Warnow Tunnel Year ended 31 Dec 2011 $'000	**Total Continuing operations Year ended 31 Dec 2011 $'000**
Segment Result							
Segment Revenue	44,482	14,498	32,047	90,591	517,640	8,232	**707,490**
Segment Expenses	(8,264)	(1,915)	(8,081)	(11,540)	(160,331)	(2,680)	**(192,811)**
Segment EBITDA	36,218	12,583	23,966	79,051	357,309	5,552	**514,679**
EBITDA Margin	81%	87%	75%	87%	69%	67%	**73%**
	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**

	Indiana Toll Road Period ended 31 Dec 2010 $'000	Chicago Skyway Period ended 31 Dec 2010 $'000	Dulles Greenway Period ended 31 Dec 2010 $'000	M6 Toll Period ended 31 Dec 2010 $'000	APRR Period ended 31 Dec 2010 $'000	Warnow Tunnel Period ended 31 Dec 2010 $'000	**Total Continuing operations Period ended 31 Dec 2010 $'000**
Segment Result							
Segment Revenue	43,892	13,514	32,775	94,724	507,201	7,597	**699,703**
Segment Expenses	(8,412)	(1,950)	(8,701)	(11,475)	(160,873)	(2,522)	**(193,933)**
Segment EBITDA	35,480	11,564	24,074	83,249	346,328	5,075	**505,770**
EBITDA Margin	81%	86%	73%	88%	68%	67%	**72%**
	As at 31 Dec 2010 $'000	As at 31 Dec 2010 $'000	As at 31 Dec 2010 $'000	As at 31 Dec 2010 $'000	As at 31 Dec 2010 $'000	As at 31 Dec 2010 $'000	**As at 31 Dec 2010 $'000**
Segment assets	976,487	515,943	867,668	889,802	3,941,838	158,722	**7,350,460**

Concise Financial Report
for the year ended 31 December 2011

6 Segment Information (continued)

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

A reconciliation of MQA 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 Year ended 31 Dec 2011 $'000	MQA Period ended 31 Dec 2010 $'000
Reconciliation of Segment Revenue to Revenue		
Segment Revenue	707,490	699,703
Revenue attributable to investments accounted for under the equity method*	(616,899)	(604,979)
Unallocated revenue	1,298	8,389
Total revenue from continuing operations	91,889	103,113
Reconciliation of Segment EBITDA to Loss Before Income Tax Benefit		
Segment EBITDA	514,679	505,770
EBITDA attributable to investments accounted for under the equity method *	(435,628)	(422,521)
Other expenses from consolidated toll road assets	(162,954)	(144,191)
Unallocated revenue	1,298	8,389
Unallocated expenses	(67,454)	(36,352)
Share of net loss of investments accounted for using the equity method	(90,331)	(208,755)
Impairment provision for investments accounted for using the equity method	(67,373)	-
Gain on deconsolidation of subsidiaries	-	54,018
Loss from continuing operations before income tax benefit	(307,763)	(243,642)

	MQA As at 31 Dec 2011 $'000	MQA As at 31 Dec 2010 $'000
Reconciliation of Segment Assets to Total Assets		
Segment assets	7,167,473	7,350,460
Other cash assets	20,330	23,102
Other assets	6,653	7,998
Impairment provision for investments accounted for using the equity method	(67,373)	-
Liabilities included in investments accounted for using the equity method	(5,497,161)	(5,529,592)
Total assets	1,629,909	1,851,968

* 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 MARIL Board.

7 Commitments for Expenditure

Consolidated	MQA As at 31 Dec 2011 $'000	MQA As at 31 Dec 2010 $'000
Operating leases commitments		
Commitments in relation to land leased by MEL from the Highways Agency in the UK and other non cancellable operating leases are payable as follows:		
Within one year	17,066	15,521
Later than one year but not later than five years	73,356	65,019
Later than five years	1,304,731	1,263,034
	1,395,153	1,343,574

MQA leases land from the Highways Agency in respect of the M6 Toll. The lease payments are established via a formula set out by the Highways Agency, which settles all costs associated with the purchase by the Highways Agency of that land, and interest on those costs 6% real per annum. Lease payments commenced in 2010 and will be made through to 2054.

Concise Financial Report
for the year ended 31 December 2011

7 Commitments for Expenditure (continued)

Other Commitments

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 contribute up to a maximum of £70 million ($106 million) (2010: £70 million ($124.3 million)) towards a road enhancement project which would provide a link to the M6 Toll. This commitment amount is indexed according to the Road and Construction Tender Index from May 2006. As this contribution is conditional upon the project being undertaken at a future date, the Group believes that no provisions are necessary in the financial statements at 31 December 2011.

8 Contingent Liabilities

MQA had the following contingent liabilities at 31 December 2011 and 31 December 2010. No provisions have been raised against these items unless stated below.

Warnow Tunnel

European Transport Investments (UK) Limited (ETI), a subsidiary of MARIL, has made two separate guarantees, totalling €1.2 million ($1.5 million) (2010: €1.2 million ($1.6 million)), in the event of a senior debt payment event of default by Warnowquerung GmbH & Co. KG, the owner of the Rostock Fixed Crossing Concession. The Group believes it is unlikely to have to make these contributions.

This contingent commitment is backed by an on-demand guarantee, provided through a blocked account into which €1.2 million ($1.5 million) (2010: €1.2 million ($1.6 million)) has been deposited. These funds are restricted and are not accessible.

South Bay Expressway

Macquarie Infrastructure US Pty Limited, a subsidiary of MARIL has provided letters of credit totalling US$1.5 million ($1.5 million) (2010: US$2.5 million ($2.4 million)) to several agencies which have granted environmental permits for the construction of the SBX. An amount of US$1.0 million (2010: US$1.1 million) has been repaid in the year. The Group believes it unlikely that there has been or will be any violation of the relevant environmental requirements which would require the letters of credit to be drawn.

The letters of credit are backed by an on-demand guarantee, provided through a secured cash deposit of US$1.5 million ($1.5 million) (2010: US$2.5 million ($2.4 million)).

9 Events Occurring After Balance Sheet Date

On 20 February 2012 Eiffarie SAS, the holding company for MQA and its co-investors' interest in the French motorway network Autoroutes Paris-Rhin-Rhône (APRR), signed a €2.765 billion five-year term loan with a syndicate of international banks. Proceeds of the new loan, together with proceeds from the interim dividend declared by APRR on 3 February 2012, will be applied towards the full repayment of Eiffarie's existing €3.8 billion debt facility, due to mature in February 2013.

In addition, APRR signed a €720 million revolving credit facility, which will replace its existing undrawn credit facilities.

These transactions have no impact on the carrying value of MQA's investment in Macquarie Autoroutes de France 2 SA, an associate of MQA, through which it holds its investment in Eiffarie SAS, at 31 December 2011.

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 Group, the results of those operations or the state of affairs of the Group in years subsequent to the year ended 31 December 2011.

Concise Financial Report
for the year ended 31 December 2011

Statement by the Directors of Macquarie Atlas Roads International Limited

In the opinion of the directors of Macquarie Atlas Roads Infrastructure Limited (MARIL), the consolidated concise financial report of MQA for the year ended 31 December 2011, as set out on pages 7 to 24, complies with Australian Accounting Standard AASB 1039 Concise Financial Reports.

The concise financial report is an extract from the full financial report for the year ended 31 December 2011. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report for the year ended 31 December 2011.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report, which is available on request.

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

Jeffrey Conyers
Chairman
Macquarie Atlas Roads International Limited
Pembroke, Bermuda
28 February 2012

Derek Stapley
Director
Macquarie Atlas Roads International Limited
Pembroke, Bermuda
28 February 2012

Independent auditor's report to the members of Macquarie Atlas Roads International Limited

Report on the financial reports

We have audited the accompanying concise financial report of Macquarie Atlas Roads International Limited which comprises the consolidated statement of financial position as at 31 December 2011, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and related notes, derived from the audited financial report of Macquarie Atlas Roads International Limited for the year ended 31 December 2011. Macquarie Atlas Roads ("MQA") comprises Macquarie Atlas Roads International Limited and the entities it controlled during the year, and Macquarie Atlas Roads Limited and the entities it controlled during the year. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

Directors' responsibility for the concise financial report

The directors are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 Concise Financial Reports, and for such internal control as the directors determine are necessary to enable the preparation of the concise financial report.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures which were conducted in accordance with Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Macquarie Atlas Roads International Limited for the year ended 31 December 2011. We expressed an unmodified audit opinion on that financial report in our report dated 29 February 2012. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the concise financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Our procedures include testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of audit evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with AASB 1039 Concise Financial Reports.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's opinion

In our opinion, the concise financial report of Macquarie Atlas Roads International Limited for the year ended 31 December 2011 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Wayne Andrews

Wayne Andrews
Partner

Sydney
29 February 2012

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