MACQUARIE ATLAS ROADS
MANAGEMENT INFORMATION REPORT
30 JUNE 2010

Disclaimer

Macquarie Atlas Roads (MQA) comprises Macquarie Atlas Roads Limited (ACN 141 075 201) (MARL) and Macquarie Atlas Roads International Limited (Registration No. 43828) (MARIL). Macquarie Capital Funds Advisory Services Pty Limited (ACN 127 735 960) (MCFAS) is the manager/adviser of MARL and MARIL. MCFAS is a wholly owned subsidiary of Macquarie Group Limited (ABN 94 122 169) (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.

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

CONTENTS

This page has been left blank intentionally

REPORT SUMMARY

The purpose of the Management Information Report (the Report) is to provide information supplementary to the Interim Financial Report of Macquarie Atlas Roads (MQA or the Group) for the period ended 30 June 2010. This Report has been prepared on a different basis to the MQA Interim Financial Report. The information contained within this Report does not, and cannot be expected to provide as full an understanding of the financial performance, financial position and the cash flows of MQA for the period ended 30 June 2010 as in the Interim Financial Report. This Report should be read in conjunction with the Interim Financial Report of MQA.

On 2 February 2010 Macquarie Infrastructure Group effected a group restructure by demerging its interests in the M6 Toll, Chicago Skyway, Indiana Toll Road, Dulles Greenway, APRR, Warnow Tunnel, South Bay Expressway, Transtoll and a portion of its cash holdings. Interests in these assets were transferred to two newly incorporated subsidiaries: Macquarie Atlas Roads International Limited (MARIL) and Macquarie Atlas Roads Limited (MARL). The demerger was effected through an in specie distribution to security holders of shares in MARIL and MARL. MARIL and MARL were stapled and listed on the ASX as Macquarie Atlas Roads (ASX:MQA).

For comparability purposes this Report presents the results of MQA's portfolio of road assets for the 6 months ended 30 June 2010, albeit that MQA did not acquire the assets until 2 February 2010.

This report also presents the results of MQA for the period ended 30 June 2010, reflecting ownership of the portfolio of toll road assets from 2 February 2010. References to fund performance are to that of MQA for the period ended 30 June 2010, again reflecting ownership of the portfolio of road assets from 2 February 2010.

This Report comprises the following Sections:

Overview Sections covering MQA's structure, portfolio, road asset summary performance for the 6 months ended 30 June 2010 and fund performance for the period from 2 February to 30 June 2010.

Section 1 Financial Performance presents Proportionate Earnings, Aggregated Cash Flow Statement and other measures for the period ended 30 June 2010. It has been prepared using policies adopted by the directors of MARIL and MARL and, unless stated otherwise, these policies have been consistently applied to all periods presented in this Report.

Section 2 Asset Performance contains a more detailed analysis of the performance of the primary toll roads within the portfolio at 30 June 2010.

PricewaterhouseCoopers (PwC) have been engaged to perform certain procedures for the directors of MARIL and MARL in relation to this Report. The areas covered by PwC's procedures included the following information in Sections 1 and 2: Proportionate Earnings (Tables 3, 4, 5, 9 and 10), Proportionate Net Debt (Table 6) and Aggregated Cash Flow Statement (Table 7).

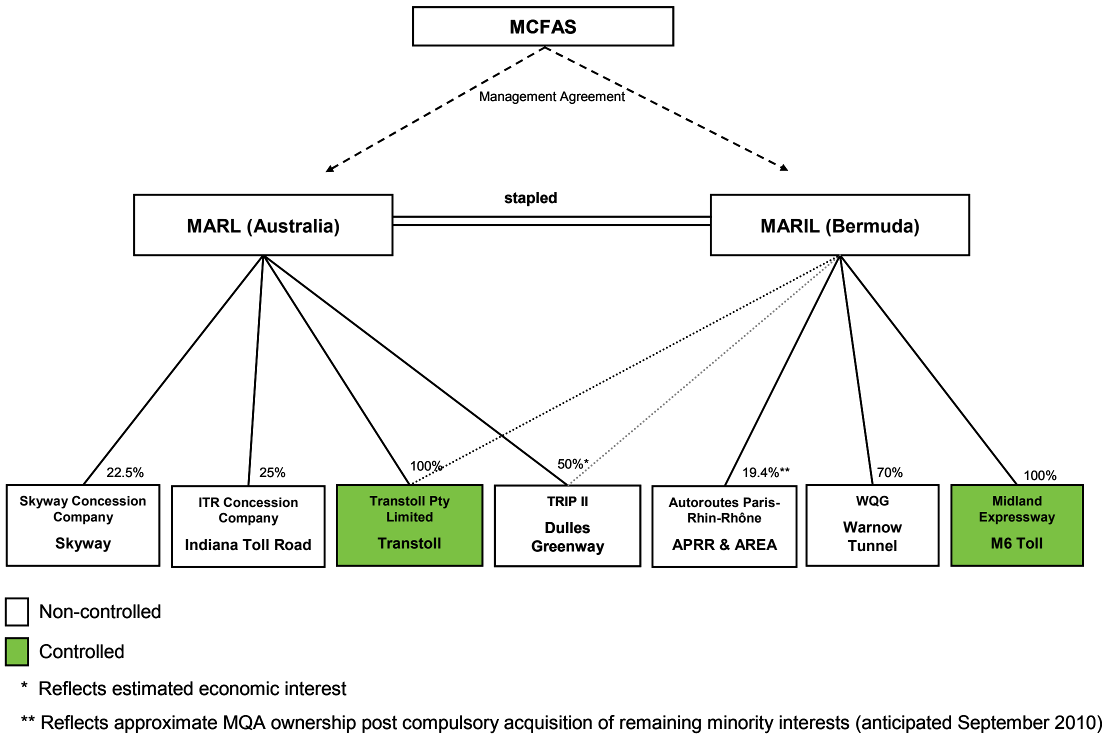
PwC conducted its engagement in accordance with Australian Auditing Standards applicable to agreed upon procedures engagements. The procedures do no constitute either an audit or review in accordance with Australian Auditing Standards and accordingly PwC expresses no assurance over the accuracy of the above information or any other aspect of the Report.

OVERVIEW OF STRUCTURE

MQA is a stapled security listed on the Australian Securities Exchange. Stapled securities are two or more securities that are quoted and traded as if they were a single security. An MQA stapled security consists of a share in MARL and a share in MARIL.

The diagram below shows the split of MQA's portfolio of assets between the two MQA stapled entities as at 30 June 2010 (unless otherwise stated).

Figure 1 – Structure at 30 June 2010



Information in this Report is presented on an aggregated basis, reflecting MQA's structure at 30 June 2010.

ASSET PORTFOLIO

As at 30 June 2010 MQA's portfolio of toll road assets and percentage interest were as follows:

Asset	Location	Reporting Currency	Date of initial acquisition[1]	MQA's Interest as at 30 Jun 10
Financière Eiffarie (APRR)[2]	France	EUR	Feb 2006	19.4
Dulles Greenway[3]	USA	USD	Sep 2005	50.0
M6 Toll	United Kingdom	GBP	Oct 1999	100.0
Chicago Skyway	USA	USD	Jan 2005	22.5
Indiana Toll Road	USA	USD	Jun 2006	25.0
Warnow Tunnel	Germany	EUR	Dec 2000	70.0

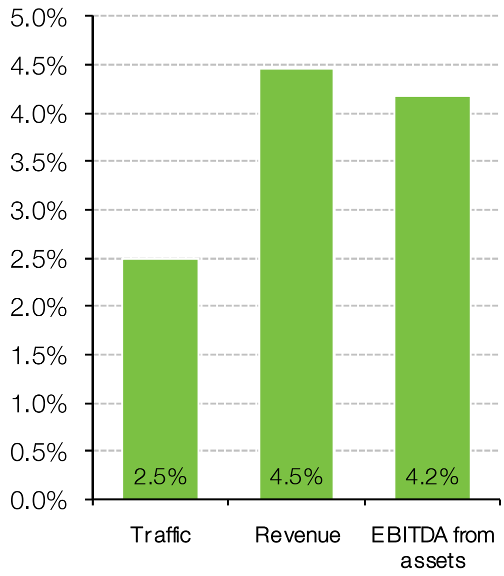
1. Reflects initial acquisition by Macquarie Infrastructure Group (MIG). These assets were acquired by MQA on demerger from MIG.
2. Reflects approximate MQA ownership post compulsory acquisition of remaining minority interests (anticipated September 2010).
3. Reflects estimated economic interest.
4. MQA owns 50% of the South Bay Expressway (SBX), USA which filed for bankruptcy in March 2010 by making a voluntary petition for relief under Chapter 11 of the US Bankruptcy code. MQA's investment in SBX was transferred via the MIG demerger at zero value and MQA does not expect to receive any further economic benefit from SBX. Consequently, the results of SBX have been excluded from this Report.

PERFORMANCE SUMMARY

Table 1 – Performance Summary Aggregated – Road Assets

	Actual[1] Results 6 months to 30 Jun 10	Proforma[2] Results 6 months to 30 Jun 09	Change vs. pcp
Weighted Average Traffic Growth on prior corresponding period (pcp) (%)			2.5%
Proportionate Revenue (AUDm)	381.8	365.5	4.5%
Proportionate EBITDA from road assets (AUDm)[3]	271.3	260.4	4.2%
EBITDA Margin (%)	71.1%	71.2%	n/a
Proportionate Earnings from road assets (AUDm)	66.7	74.7	(10.7%)

Figure 2 – Summary proforma[2] asset performance vs prior corresponding period



1. Data represents the results of MQA's portfolio of road assets for the 6 months ended 30 June 2010, albeit that MQA did not acquire the assets until 2 February 2010.
2. Data for 30 June 2009 represents the results of MQA's portfolio of road assets for the 6 months ended 30 June 2009 adjusted for ownership interests and foreign exchange rates for the 6 months ended 30 June 2010.
3. Adverse weather conditions resulted in higher winter maintenance costs for APRR and Dulles Greenway.

Table 2 – Performance Summary Aggregated – Fund

	Actual Results 2 Feb to 30 Jun 10
Proportionate Revenue (AUDm)	326.6
Proportionate EBITDA from road assets (AUDm)	233.8
EBITDA Margin (%)	71.6%
Proportionate Earnings (AUDm)	54.7
Proportionate Earnings per Security (cents)	12.1

Table 2 presents the results of MQA for the period ended 30 June 2010, reflecting ownership of the portfolio of toll road assets from 2 February 2010. References to fund performance are to that of MQA for the period ended 30 June 2010, again reflecting ownership of the portfolio of road assets from 2 February 2010.

Financial Performance

1 FINANCIAL PERFORMANCE

1.1 Proportionate Earnings – Road Assets

Table 3 – Proportionate Earnings for 6 months ended 30 June 2010 – Road Assets

	Actual Results 6 months to 30 Jun 10 AUDm	Proforma Results 6 months to 30 Jun 09 AUDm	Change vs. pcp
Operating revenue	381.8	365.5	4.5%
Operating expenses	(110.5)	(105.1)	5.1%
EBITDA from road assets	271.3	260.4	4.2%
Asset maintenance capex	(18.3)	(18.7)	(2.1%)
Asset net interest expense	(155.2)	(155.8)	(0.4%)
Asset net tax expense	(31.1)	(11.2)	177.7%
Proportionate Earnings from road assets	66.7	74.7	(10.7%)

Further details on the preparation of this section of the Report are set out in the Summary of significant policies (Section 1.6).

1.1.1 Summary

Underlying proportionately consolidated revenue and EBITDA from road assets increased 4.5% and 4.2% respectively for the 6 months ended 30 June 2010 (YTD). Across the portfolio, weighted average traffic volume for the 6 months to 30 June 2010 rose 2.5% compared with the prior corresponding period (pcp).

The underlying operating revenue increased for most roads in the portfolio reflecting the improving traffic trends and the positive impact of the changes to tolling structures implemented during 2009 and 2010, in particular on APRR and M6 Toll. This was partially offset by traffic and revenue declines experienced by Chicago Skyway and Dulles Greenway following adverse road network impacts in the Skyway corridor and adverse weather conditions at Dulles Greenway in the first quarter of 2010.

EBITDA growth was impacted by the improved underlying revenue, but partially offset by higher operating expenses on APRR and Dulles Greenway, due in part to higher winter maintenance costs following adverse weather conditions.

Figure 3 – Proforma proportionate revenue from road assets, 6 months ended 30 June

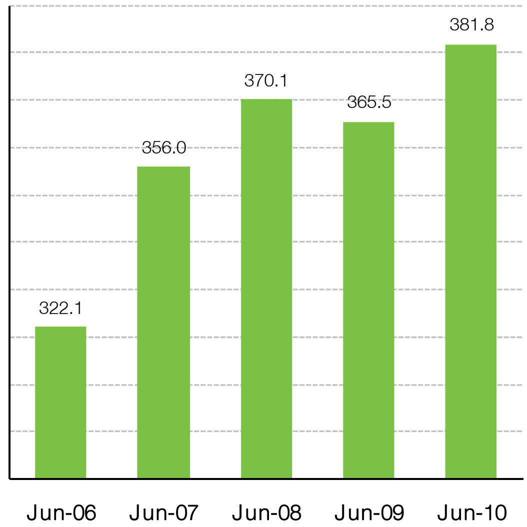
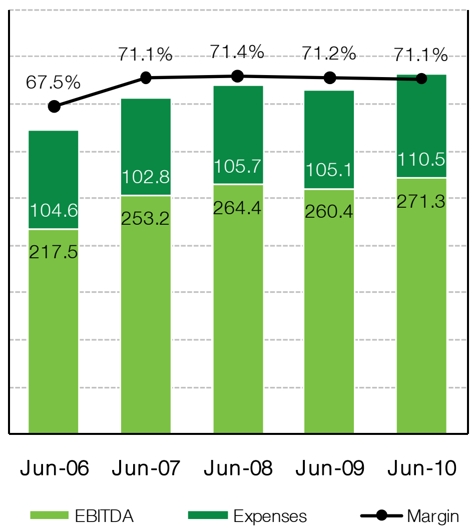


Figure 4 – Proforma proportionate EBITDA from road assets, 6 months ended 30 June



1.1.2 Operating revenue

Underlying operating revenue increased AUD16.3m (4.5%) YTD compared to proforma pcp. This increase in revenue is attributable primarily to the implementation of toll increases and improved traffic trends on the M6 Toll and APRR due in particular to strong light traffic growth. APRR implemented tariff increases on 1 April 2009 and 1 February 2010 and new tolling schedules for M6 Toll came into effect on 1 March 2010.

These toll increases, together with some minor changes to vehicle mix and trip patterns, represent an effective weighted average toll increase of 1.9% across the portfolio[1].

1.1.3 Operating expenses

Underlying operating expenses increased AUD5.4m (5.1%) for the YTD. In particular, adverse weather conditions resulted in higher winter maintenance costs for APRR and Dulles Greenway. For Dulles Greenway there were 50 inches of snowfall in February and 13 weather affected days. There was also an increase in operational taxes charged by the French government due to the improved traffic and revenue performance.

1.1.4 EBITDA from road assets

Underlying EBITDA from road assets increased 4.2% to AUD271.3m for the YTD. Underlying road assets EBITDA margin decreased from 71.2% to 71.1%.

Improvements already noted in operating revenue were partially offset by increased operating expenses due to adverse weather conditions on certain roads in January and February 2010.

1. Weighted average by 6 months to June 2009 proportionately consolidated revenue.

1.1.5 Asset maintenance capex

Underlying asset maintenance capex decreased 2.1% for the YTD. The basis of calculation of maintenance capex is outlined in the Summary of significant policies (Section 1.6) of this Report.

1.1.6 Asset net interest and tax expense

Underlying asset net interest expense decreased AUD0.6m (0.4%) for the YTD reflecting lower interest expense on the unhedged portion of debt at APRR due to lower market interest rates partially offset by higher interest expense at Dulles Greenway, due to an increase in the quantum of zero coupon accreting bond maturities, and increases to debt margin costs (30 bps from March 2009) at the M6 Toll. Interest income has also fallen due to lower interest rates on cash balances.

Underlying asset net tax expense for YTD increased AUD19.9m (177.7%) compared to pcp due to the receipt by APRR of a tax refund in the pcp and the impact of higher profits at APRR in the current period.

1.2 Proportionate Earnings – Fund

Table 4 – Proportionate Earnings for period ended 30 June 2010 – Fund

	Actual Results 2 Feb to 30 Jun 10 AUDm
Operating revenue	326.6
Operating expenses	(92.8)
EBITDA from road assets	233.8
Asset maintenance capex	(15.5)
Asset net interest expense	(129.1)
Asset net tax expense	(25.7)
Proportionate Earnings from road assets	63.5
Corporate net interest income	3.4
Corporate net expenses	(12.2)
Proportionate Earnings	54.7
Asset net debt amortisation	(36.5)
Proportionate Earnings less allowance for net debt amortisation	18.2

Proportionate Earnings from road assets presented above are for the period February to June 2010, being the period of ownership by MQA following the demerger from MIG.

Analysis of the performance of the roads assets is detailed in Section 1.1 of this report. Section 1.1 presents road asset results for the six months ended 30 June 2010.

1.2.1 Corporate net interest income and expenses

Corporate net interest income was AUD3.4m. The average cash balance during the period was AUD209.6m. The cash balance at 30 June 2010 was AUD23.0m, reflecting MQA's participation in the acquisition of a further 13.73% interest in APRR from minority shareholders. MQA contributed a total of EUR155.0m funded from its existing cash reserves.

Details on major corporate cash movements are provided in Section 1.5 Cash flow and cash position.

Corporate net expenses totalled AUD12.2 m which was mainly attributable to base management fees (AUD3.6m), performance fees (AUD4.2m) and advisory fees payable in relation to the acquisition of the additional interest in APRR (EUR1.5m).

1.2.2 Asset net debt amortisation

Asset net debt amortisation reflects an allocation of Earnings to required future debt repayments. As such, it does not form part of Earnings. Further details, including the basis of calculation, are outlined in the Summary of significant policies (Section 1.6) of this Report.

1.3 Proportionate Earnings per security

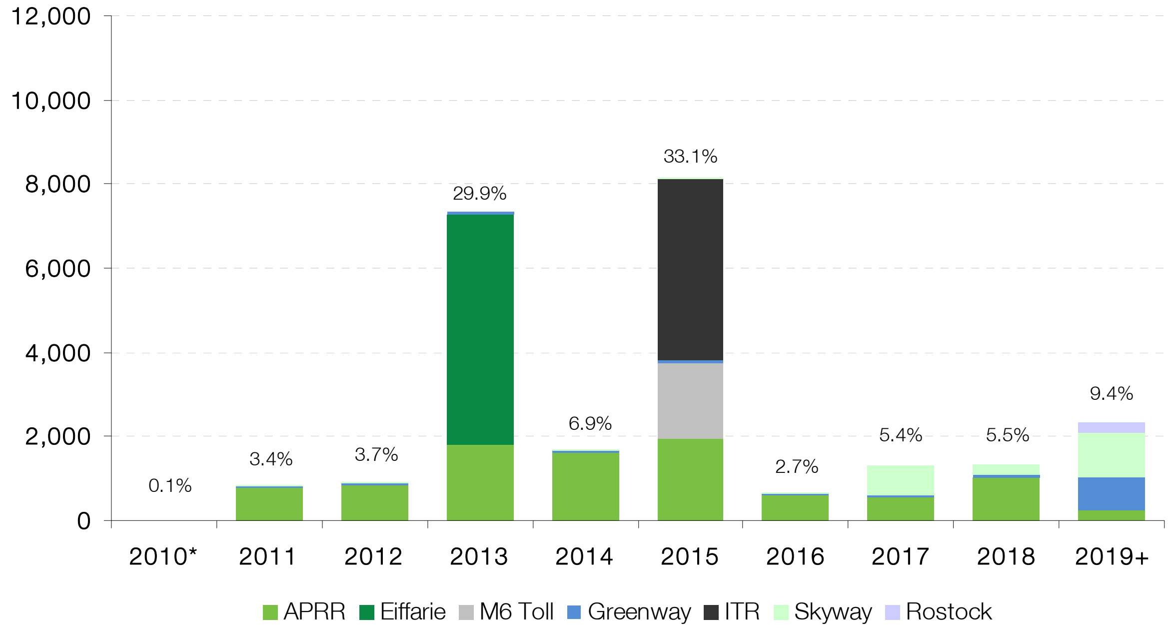
Table 5 – Proportionate Earnings per security – Fund

	Actual Results 2 Feb to 30 Jun 10
Weighted average MQA securities on issue	452,345,907
EBITDA per security from road assets (cents)	51.6
Proportionate Earnings per security from road assets (cents)	14.0
Proportionate Earnings per security (cents)	12.1

MQA issued 452,345,905 securities as part of the MIG restructure. These securities, along with the 2 issued on formation of each of MARL and MARIL, were distributed in specie to MIG security holders. No new securities were issued subsequent to the MIG restructure.

1.4 Debt profile

Figure 5 – Debt maturity profile (100% debt at each asset)(AUDm)



* 2010 Asset Debt Maturity refers to debt maturing in the second half of 2010

The above debt maturity profile reflects a 100% consolidation of the debt balances of road assets as at 30 June 2010 (excludes future capitalised interest). MQA has no corporate level debt. The chart shows the legal maturity of each debt tranche in accordance with the relevant loan agreement.

Average debt maturity at 30 June 2010 is 5.9 years (31 December 2009[1]: 6.1 years).

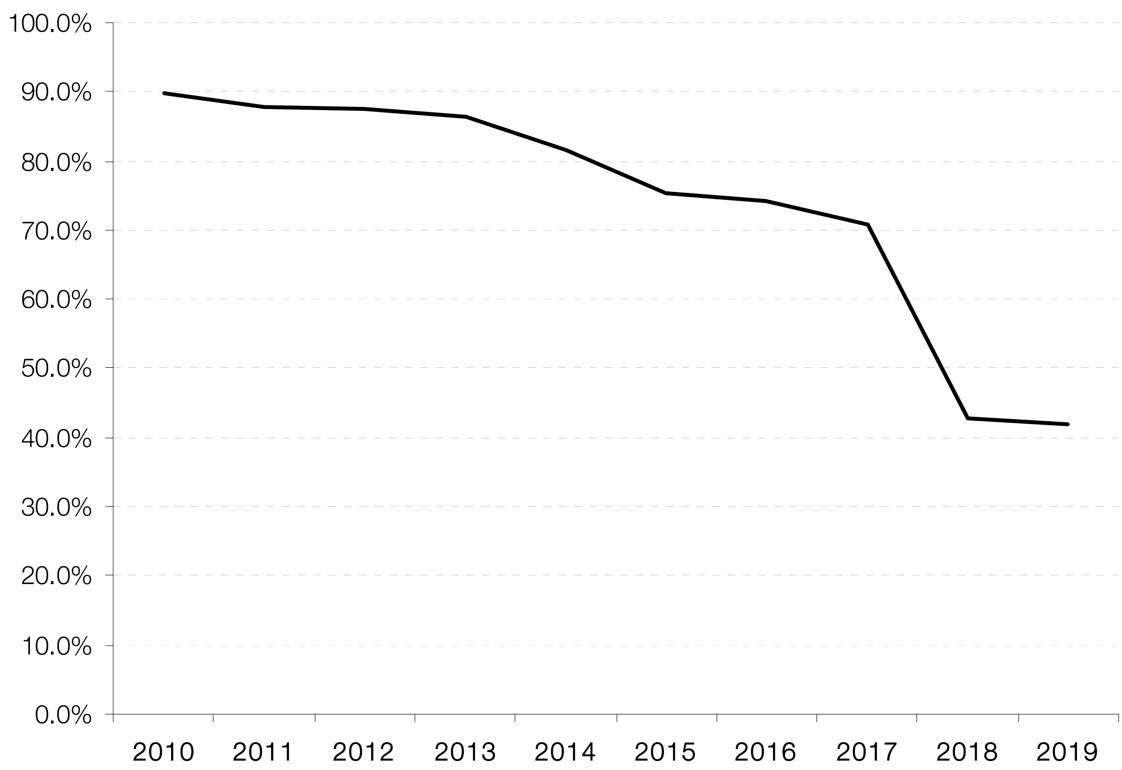
Across the portfolio, the cash interest cost in the financial year was the equivalent of an annualised interest rate of 3.9%, this is primarily a consequence of the existence of interest rate swaps on both the M6 Toll and Indiana Toll Road that have low start accreting interest rate structures, as well as the tranches of zero coupon bonds issued at Dulles Greenway. Normalising for those instruments, the interest cost would have been the equivalent of an annualised interest rate of 5.6%.

Refer to Appendix 4 for a breakdown of the debt maturity profile by individual asset at 30 June 2010.

1. Weighted average debt maturity as at 31 December 2009 of assets currently in the MQA portfolio.

1.4.1 Hedging profile

Figure 6 – Debt hedging profile



The above hedging profile reflects the current coverage levels for each financial year. Debt is considered hedged when the interest rate has been fixed and therefore includes fixed rate debt as well as floating rate debt with interest rate swaps in place. The portfolio has a number of CPI related debt instruments that are also considered fixed for this purpose, given the coupons on these bonds are fixed.

1.4.2 Proportionate net debt

Table 6 – Proportionate net debt

	Actual as at 30 Jun 10 AUDm
Road assets net debt	7,791.6
Corporate net debt	(23.7)
Total proportionate net debt	7,767.9

1.5 Cash flow and cash position

Table 7 – Aggregated Cash Flow Statement

	2 Feb to 30 Jun 10 AUDm
Cash flow received from assets	
M6 Toll – dividend	12.4
Total cash flow received from assets	12.4
Other operating cash flows	
Interest received on corporate cash balances	3.5
Net indirect taxes received	(0.2)
Other income received	5.1
Payments to suppliers and employees	(1.1)
Manager and Advisor base fees paid	(1.5)
Manager and Advisor performance fees paid	-
Income taxes paid	-
Total operating cash flows	5.8
Investing and financing cash flows	
Payments for purchase of investments	(217.6)
Loans repaid by/(advanced to) investments and controlled entities	-
Distributions paid	-
Total investing and financing cash flows	(217.6)
Net decrease in cash assets	(199.4)
Cash assets at beginning of period	228.1
Exchange rate movements	(5.7)
Cash assets at the end of the period	23.0

The closing cash position reflects MQA's participation in the acquisition of a further 13.73% interest in APRR from minority shareholders. MQA contributed a total of EUR155.0m, funded from its existing cash reserves.

1.6 Summary of significant policies

1.6.1 Summary of significant policies

The significant policies which have been adopted by the boards of MARL and MARIL, and used in the preparation of section 1 of this Report, are stated to assist in a general understanding of this Report. Unless stated otherwise, these policies have been consistently applied to all periods presented in this Report.

PricewaterhouseCoopers (PwC) has been engaged to perform certain procedures for the directors of MARL and MARIL in relation to their preparation of the primary statements disclosed in Sections 1 and 2 of the Report: Proportionate Earnings (Tables 3, 4, 5, 9 and 10), Proportionate Net Debt (Table 6) and Aggregated Cash Flow Statement (Table 7) on the basis set out below. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed by PwC is that of the directors, and these procedures were performed solely to assist the directors of MARL and MARIL in evaluating the accuracy of the disclosures.

PwC conducted its engagement in accordance with Australian Auditing Standards applicable to agreed upon procedures engagements. The procedures do not constitute either an audit or review in accordance with Australian Auditing Standards and accordingly PwC expresses no assurance over the accuracy of the Proportionate Earnings, Proportionate Net Debt, Aggregated Cash Flow Statement, or on any other aspect of the Report.

All information contained in this Report is disclosed in Australian dollars unless stated otherwise.

1.6.2 Proportionate Earnings

Current and prior period Proportionate Earnings information contained in this Report involves the aggregation of the financial results of the Group's relevant assets in the relevant proportions that the Group holds beneficial ownership interests. It is calculated as operating assets' revenues less operating assets' expenses, maintenance capital expenditure (maintenance capex), net interest expense, net tax expense, plus earnings or expenses at the corporate level including any gain on sale of road assets, corporate net interest income and corporate expenses including management fees.

Proportionate Earnings are disclosed for the current period (Actual Results).

Proportionate Earnings information for the pcp is also disclosed under a proforma approach. The proforma information is derived by restating the prior period results with the operating assets ownership percentages and foreign currency exchange rates from the current period (Proforma Results). Proforma Results are produced to allow comparisons of the operational performance of road assets between periods, as it removes the impact of changes in ownership interests and foreign currency exchange rates. The term 'underlying' used in section 1.1 of this Report refers to movements under the proforma approach.

The principal policies adopted in the preparation of Proportionate Earnings contained in this Report include:

Relevant assets

For an asset to qualify as a relevant asset for inclusion in Proportionate Earnings from road assets, the asset must be a toll road operator (road asset) in which the Group has an ownership interest with a realisable value. The Group's relevant road assets are presented in the table on page 19 of this Report.

MQA owns 50% of the South Bay Expressway which filed for bankruptcy in March 2010 by making a voluntary petition for relief under Chapter 11 of the US Bankruptcy code. As such, it is not considered a relevant asset as it has been valued at zero since 30 June 2009.

Transtoll

The Group has an investment in Transtoll which provides hardware and software solutions to the tolling industry. Transtoll is not a toll road asset. The results of this asset are not included in the Proportionate Earnings from road assets. Instead, the results of Transtoll are included at the corporate level as follows:

- Net interest income or expense is included as corporate net interest income; and
- Expenses paid net of revenue earned is included as corporate net expenses.

Transtoll's net interest expenses and net expenses are immaterial to the Group's overall results.

Foreign exchange rates

All Proportionate Earnings information contained in this Report is disclosed in Australian dollars unless stated otherwise. Actual results are reported at quarterly average foreign currency exchange rates for the respective quarters. Under the proforma approach, pcp results are restated using quarterly average exchange rates from the current period to remove the impact of changes in foreign currency exchange rates.

Beneficial ownership interest

The beneficial ownership interest for each road asset is calculated according to the number of days in the reporting period during which the Group held a beneficial ownership interest (Beneficial Ownership Interest). Where assets have been sold during the period the Beneficial Ownership Interest is calculated according to the number of days from the beginning of the period up to the date of sale. Where assets have been acquired during the period Beneficial Ownership Interest is calculated according to the number of days from the date of initial acquisition to the end of the period.

The Beneficial Ownership Interests of the Group in the roads used in the calculation of Proportionate Earnings for the period to 30 June 2010 are as set out below. Beneficial Ownership Interests applied for presentation of the 6 months road asset results to 30 June 2010 are also detailed.

	Beneficial Ownership Interest for:	
Road asset	6 months to 30 Jun 10 %	2 Feb to 30 Jun 10 YTD %
APRR[1]	20.4	20.4
Dulles Greenway[2]	50.0	50.0
M6 Toll	100.0	100.0
Chicago Skyway	22.5	22.5
Indiana Toll Road	25.0	25.0
Warnow Tunnel	70.0	70.0

1. These interests reflect MQA's weighted average beneficial ownership interest of APRR. The interest was 20.37% from the commencement of both periods, with the last 8 days being at 21.09%. This rate does not reflect the approximate MQA ownership post compulsory acquisition of remaining minority interests of approximately 19.4% (anticipated September 2010).
2. Reflects estimated economic interest.

Operating revenue

Asset revenue is calculated by the aggregation of the product of the Beneficial Ownership Interest and the total revenue of each road asset. Revenue is recognised under the local GAAP applicable to each road asset.

Operating expenses

Asset operating expenses are calculated by the aggregation of the product of the Beneficial Ownership Interest and the total operating expenses incurred by each road asset. Operating expenses are recognised under the local GAAP applicable to each road asset.

Asset maintenance capex

Due to its nature, road asset maintenance expenditure may fluctuate significantly from period to period and therefore this Report does not reflect the actual timing of cash outflows for maintenance capex. Rather, the Proportionate Earnings include a provision for maintenance capex in each period.

The level of maintenance capex required is a function of road usage and therefore traffic volume is the driver for determining the provision charged to each period. The calculation allocates the total forecast future maintenance capex for a particular road over the current and all future periods to the end of the toll concession, on the basis of forecast traffic on that road (i.e. not on a straight line basis).

Asset net interest expense

Asset net interest expense is the aggregation of net interest expense incurred by:

- the operator of the road asset; and
- entities interposed between any of the stapled entities and the operator companies, which have debt that is non-recourse to the Group.

The definition of net interest expense includes all contractual interest expense, borrowing expenses and interest income payable to, or receivable from, third parties during the period. Amounts in respect of shareholder loans or similar agreements are excluded from the definition of net interest expense. Interest and borrowing costs that are capitalised and/or amortised are also excluded from the definition of net interest expense. The amount therefore reflects the cash interest payable/receivable in respect of a particular period. In particular, for zero coupon bonds, interest expense is recorded in the year the bond matures.

Asset net tax expense

Tax expense for the purposes of the calculation of asset net tax expense is that current tax expense determined with reference to the local GAAP applicable to each relevant asset. Where tax expense information is not available for a particular road asset, income tax paid or payable by that asset in the relevant year will be reflected rather than current tax expense. Asset net tax expense is made up of the aggregation of the following components:

- the product of the Beneficial Ownership Interest and the net current tax expense of each road asset, where the operating company does not, in conjunction with any entities that are majority owned by one or a combination of the stapled entities, form part of a consolidated group for tax purposes (Tax Consolidated Group); and
- the product of the Beneficial Ownership Interest in the ultimate holding company in a Tax Consolidated Group and the net current tax expense of the relevant Tax Consolidated Group.

Gain on sale of road assets

As a global investor in toll roads, the Group derives income from the management of its portfolio of road assets which may include the sale of investments. Unless otherwise stated, the gain on sale of road assets is calculated as sales proceeds less the cost of acquisition adjusted for the road assets' Proportionate Earnings recognised in the Management Information Report from acquisition and distributions received from the asset. Gain on sale of road assets is reported net of any transaction costs and tax arising on the capital gain relevant to the transaction.

Corporate net interest income

Corporate net interest income is the aggregation of net interest income incurred/received by:

- any of the stapled entities; and
- entities interposed between any of the stapled entities and the operator companies which have debt that is recourse to the Group, if any.

The definition of net interest income includes all contractual interest expense, borrowing expenses and interest income payable to, or receivable from, third parties except:

- Interest and borrowing expenses or interest income in respect of shareholder loans or similar agreements; and
- Interest and borrowing costs that are capitalised and/or amortised.

Corporate net expenses

Corporate net expenses reflect the aggregation of:

- all expenses paid by the Group (excluding acquisition and divestment costs), including base management fees and performance fees (to the extent that either or both are payable in cash and subsequently not reinvested in securities);

- the Group's share of expenses from entities interposed between any of the MQA stapled entities and the operator companies not included in the assets' operating expenses; and
- current tax expense at the corporate level.

Net debt amortisation

Reflective of the fact that net debt at each asset must be repaid prior to concession end, a charge is made to amortise the net debt over the concession life. Net debt amortisation as shown does not reflect actual cash debt repayments for the period, rather, it represents a provision for amounts that will be payable at a later date, prior to concession end. The amortisation charge for each period is determined on a pro-rata basis, with EBITDA as the allocation driver. That is, the net debt, less any amortisation and maintenance capex to date, is allocated over current and future periods to the end of the concession on the basis of forecast EBITDA. Maintenance capex to date is deducted from the net balance in order to avoid a double count, given that funding of maintenance capex increases net debt. Corporate net debt if any is not amortised.

1.6.3 Aggregated Cash Flow Statement

The Aggregated Cash Flow Statement represents the aggregation of the cash flows attributable to security holders. This includes the cash flows of each of the stapled entities and their wholly owned subsidiaries, excluding entities that form part of the road operator company groups. The Aggregated Cash Flow Statement shows all cash received by the Group from its asset portfolio as well as corporate level cash flows. All information in the Aggregated Cash Flow Statement is disclosed in Australian dollars using foreign currency exchange rates applicable to the relevant transactions.

1.6.4 Proportionate Net Debt

Road asset net debt

The net debt of road assets is calculated by the aggregation of:

- The Group's proportionate share of the net debt at each road asset including the land fund liability[1] at the M6 Toll; and
- The Group's proportionate share of the net debt held by entities interposed between any of the stapled entities and its road assets that is non-recourse to the Group.

Net debt is calculated at each road asset by subtracting total cash on hand (including restricted cash holdings) from total debt at the end of the period. Where the profile of a debt instrument is either amortising or accretive, no adjustment is made to the principal balance presented at reporting dates which fall between specified interest capitalisation or debt amortisation dates. Therefore, net debt represents principal amounts inclusive of capitalised interest only unless otherwise stated below. Where interest rate swaps are structured to mirror a series of capital accretion bonds (e.g. Chicago Skyway), a calculation of the notional principal outstanding on these bonds is undertaken. This notional principal is incorporated in net debt consistent with the treatment above.

Where interest rate swaps have been structured to better match the payment of interest with increasing revenue (e.g. M6 Toll and Indiana Toll Road), an effective interest rate for the swap is calculated. An interest accrual is included within net debt, reflecting the difference between the cumulative interest charge using this effective interest rate and the fixed payments made to date under the interest rate swap.

1. The land fund liability represents Midland Expressway Ltd's (the owner for the M6 Toll) obligation to repay the government for land acquisition costs incurred in developing the M6 Toll. Repayment of the liability will commence in 2010 and the liability will be fully repaid by the end of the concession.

Corporate net debt

Net debt at the corporate level is calculated by the aggregation of:

- all net debt held by the stapled entities; and
- all net debt held by entities interposed between any of the stapled entities and the road asset companies, excluding debt that is non-recourse to the Group.

Corporate net debt is calculated by subtracting total cash on hand from total debt at the end of the period.

Asset Performance

2 ASSET PERFORMANCE

Prior corresponding period results presented in this section of the Report are prepared on a proforma basis unless otherwise stated. Sections 2.4 to 2.8 are reported on a 100% asset basis and in the natural currency of the asset.

2.1 Traffic analysis

Table 8 – Summary traffic growth 6 months to 30 June

		Traffic Growth on PCP	
Asset		6 months to 30 Jun 10 %	6 Months to 30 Jun 09 %
APRR	Total VKT	3.1%	(2.4%)
Dulles Greenway	Av All day Traffic	(4.0%)	(6.5%)
M6 Toll	Av All day Traffic	4.0%	(7.6%)
Chicago Skyway	Av All day Traffic	(4.5%)	5.0%
Indiana Toll Road	Full Length Equivalent Trips[1]	(0.6%)	(4.8%)
Warnow Tunnel	Av All day Traffic	3.2%	(0.3%)
Portfolio Revenue Weighted Average		2.5%	(3.3%)

1. Full Length Equivalent Trips (FLET) for Indiana Toll Road is derived by taking a distance weighted average of the Ticket and Barrier systems' average daily traffic (ADT).

Revenue weighted average traffic increased 2.5% on pcp for the 6 months to June 2010. Over the past 12 months, traffic and revenue have improved from the low point of early 2009.

Overall, revenue continued to increase on all major roads in the portfolio reflecting the improving traffic trends and the positive impact of the changes to tolling structures implemented during 2009 and 2010.

2.2 Proportionate Earnings – by asset

Table 9 – Actual Proportionate Earnings split by asset for the 6 months ended 30 June 2010

	APRR[1] AUDm	Dulles AUDm	M6 Toll AUDm	Total Core assets AUDm	Chicago Skyway AUDm	ITR AUDm	Warnow AUDm	Total Non-core assets AUDm	TOTAL AUDm
Operating revenue	281.8	17.3	50.5	349.6	7.0	21.5	3.7	32.2	381.8
Operating expenses	(91.5)	(5.3)	(6.3)	(103.1)	(1.1)	(4.9)	(1.4)	(7.4)	(110.5)
EBITDA from road assets	190.3	12.0	44.2	246.5	5.9	16.6	2.3	24.8	271.3
Asset maintenance capex	(12.6)	(0.4)	(2.2)	(15.2)	(0.5)	(2.3)	(0.3)	(3.1)	(18.3)
Asset net interest expense	(91.1)	(4.8)	(30.5)	(126.4)	(5.9)	(20.9)	(2.0)	(28.8)	(155.2)
Asset net tax expense	(31.1)	-	-	(31.1)	-	-	-	-	(31.1)
Proportionate Earnings from road assets	55.5	6.8	11.5	73.8	(0.5)	(6.6)	(0.0)	(7.1)	66.7

Table 10 – Proforma Proportionate Earnings split by asset for the 6 months ended 30 June 2009

	APRR[1] AUDm	Dulles AUDm	M6 Toll AUDm	Total Core assets AUDm	Chicago Skyway AUDm	ITR AUDm	Warnow AUDm	Total Non-core assets AUDm	TOTAL AUDm
Operating revenue	268.2	17.9	47.7	333.8	7.5	20.7	3.4	31.6	365.5
Operating expenses	(86.4)	(4.9)	(6.5)	(97.8)	(1.2)	(4.8)	(1.3)	(7.3)	(105.1)
EBITDA from road assets	181.8	13.0	41.2	236.0	6.3	15.9	2.1	24.3	260.4
Asset maintenance capex	(13.8)	(0.4)	(1.7)	(15.9)	(0.5)	(2.0)	(0.3)	(2.8)	(18.7)
Asset net interest expense	(96.8)	(4.1)	(25.9)	(126.8)	(5.9)	(20.8)	(2.2)	(28.9)	(155.8)
Asset net tax expense	(11.2)	-	-	(11.2)	-	-	-	-	(11.2)
Proportionate Earnings from road assets	**60.0**	**8.5**	**13.6**	**82.1**	**(0.1)**	**(6.9)**	**(0.4)**	**(7.4)**	**74.7**

1. APRR figures represent a consolidation of APRR, AREA and Eiffarie.

2.3 Asset metrics

2.3.1 Debt service coverage ratios (DSCR)

Table 11 – Debt service coverage ratios

Asset	DSCR as at 30 June 10	Equity Lock-up Ratio
Financière Eiffarie (APRR)	1.78 x	1.25 x
Dulles Greenway[1]	1.27 x	1.25 x
M6 Toll	2.01 x	1.40 x
Chicago Skyway	1.67 x	1.60 x
Indiana Toll Road[2]	1.03 x	1.15 x
Warnow Tunnel	1.51 x	1.05 x

1. The DSCR for Dulles Greenway excludes interest income per the bond indenture.
2. ITR has a liquidity facility in place to fund debt service while cash flows are ramping up. If required, the liquidity facility can be drawn at the end of each six month period by an amount necessary so that actual DSCR is brought up to 1.0x. In addition, ITR failed to meet the 12 month look back revenue test at 30 June 2009 and 31 December 2009, so the final two releases of USD14.29m from the revenue stabilization reserve were swept to service senior debt.

2.3.2 Net Debt/EBITDA ratios

Table 12 – Net Debt/EBITDA ratios

Asset	Net Debt/EBITDA Ratio as at 30 June 10[1]
Financière Eiffarie (APRR)	7.97 x
Dulles Greenway	17.65 x
M6 Toll	22.39 x
Chicago Skyway	35.93 x
Indiana Toll Road	29.50 x
Warnow Tunnel	30.94 x

1. Using net debt as at 30 June 2010 and forecast EBITDA for the year ending 31 December 2010.

2.4 Autoroutes Paris Rhin-Rhône (APRR) – France

2.4.1 Financial performance

Figure 7 – APRR revenue (EURm), 6 months ended 30 June[1]

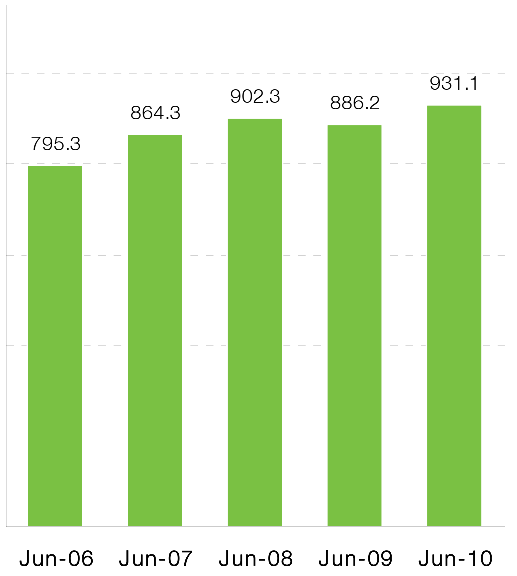
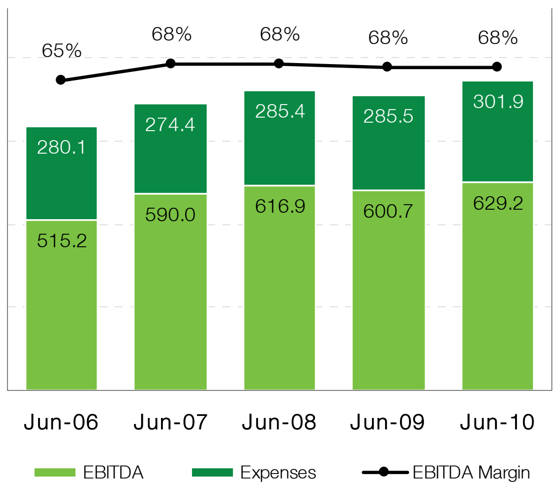


Figure 8 – APRR EBITDA (EURm), 6 months ended 30 June[1]



1. The above results in Figures 7 and 8 include 100% of the results of APRR consolidated with Eiffarie in which MQA holds effective interests at 30 June 2010 of 21.1% and 22.2% respectively. Eiffarie is the holding company for the consortium's interest in APRR.

Consolidated revenues totalled EUR931.1m for the six months ended 30 June 2010, up 5.1% from EUR886.2m in the pcp. Toll revenues, which account for 97% of total revenues, increased by 5.2%.

Operating expenses rose by 5.7% from EUR285.5m in the six months to 30 June 2009 to EUR301.9m in the six months ended 30 June 2010. The increase was driven mainly by high winter maintenance costs due to the frequent snowfalls in January. There was also an increase in operational taxes charged by the French government due to the improved traffic and revenue performance.

2.4.2 Operational initiatives

The number of active Liber-t badges increased by 22% in the last 12 months, with around 800,000 badges now in circulation.

Electronic Toll Collection (ETC) accounted for 45.5% of all transactions in the last six months compared with 43.4% in the comparable period of 2009. Automated transactions accounted for 77.0% of total transactions compared with 72.8% in 2009; 120 out of the 154 toll plazas are now totally or partially automated.

2.4.3 Traffic

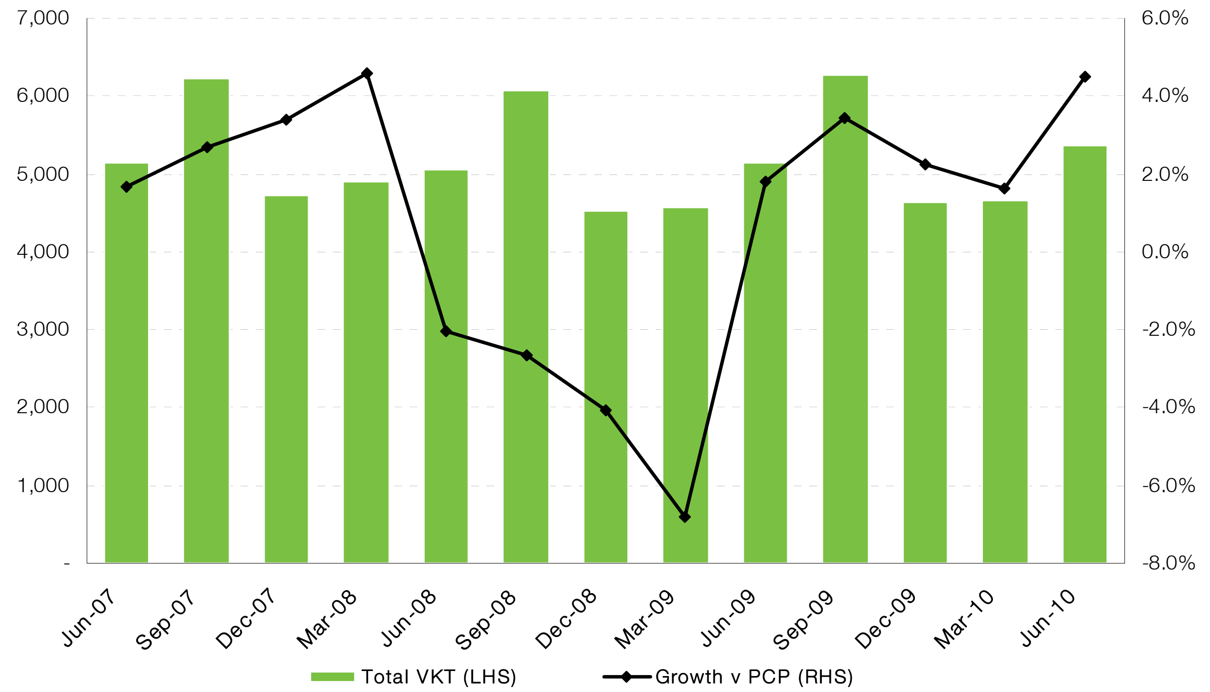
Table 13 – APRR traffic performance

Category	Quarter to Date Apr-Jun 2009	Quarter to Date Apr-Jun 2010	Quarter to Date Change vs. pcp	Year to Date Jan-Jun 2009	Year to Date Jan-Jun 2010	Year to Date Change vs. pcp
Vehicle Kms travelled (millions)						
Light vehicles	4,384	4,548	3.7%	8,195	8,412	2.6%
Heavy vehicles	754	820	8.8%	1,518	1,606	5.8%
TOTAL	5,138	5,368	4.5%	9,713	10,018	3.1%
Workdays in period	60	62	+2	123	125	+2
Non workdays in period	31	29	-2	58	56	-2

In the six months to 30 June 2010, total traffic (VKT) increased by 3.1% on pcp, with both light and heavy vehicles performing well. Light vehicle traffic grew by 2.6% while heavy vehicle volumes grew by 5.8%, reflecting ongoing economic recovery and a weak pcp comparator.

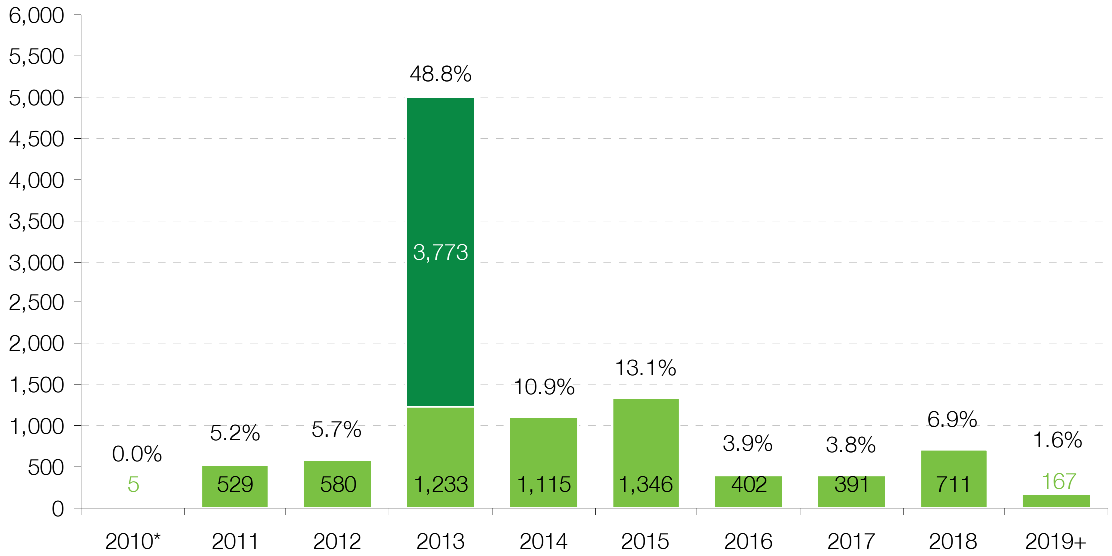
Poor weather early in the year negatively impacted traffic in the first quarter, whilst the air travel disruptions caused by the volcanic eruption in Iceland and strikes on the intercity rail network contributed to positive performance early in the second quarter.

Figure 9 – APRR quarterly traffic performance (VKT)



2.4.4 Financing and Debt

Figure 10 – APRR/Eiffarie debt maturity profile (EURm)



* 2010 Asset Debt Maturity refers to debt maturing in the second half of 2010.

APRR issued EUR200m of bonds in February 2010. Cash balances, the undrawn amount of APRR's revolving credit facility, and excess operational cash flows are sufficient to cover debt maturities until late 2012. However, in order to maintain the required level of 12 months look-forward liquidity, APRR will need to issue further bonds before the end of 2011.

2.5 Dulles Greenway – Virginia, US

2.5.1 Financial performance

Figure 11 – Dulles Greenway revenue (USDm), 6 months ended 30 June

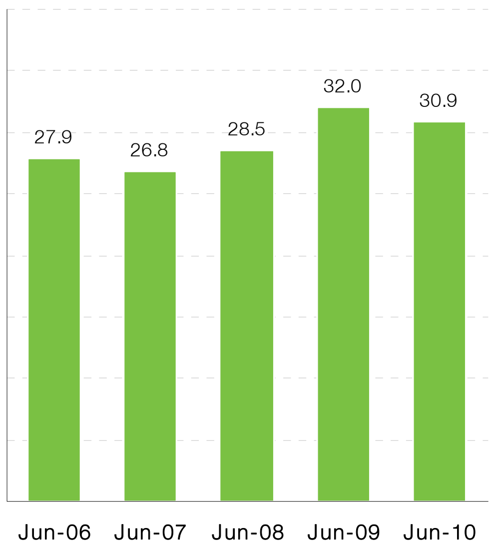
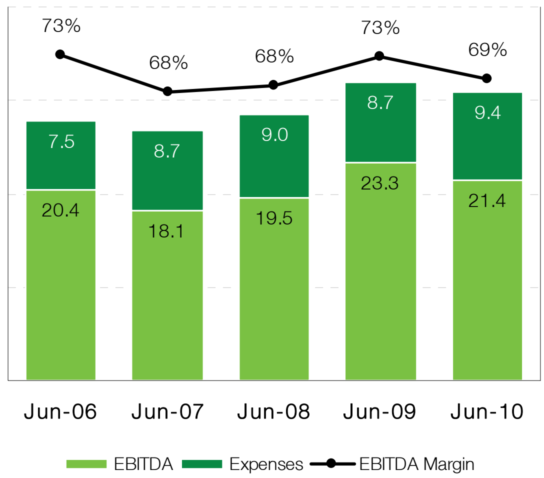


Figure 12 – Dulles Greenway EBITDA (USDm), 6 months ended 30 June



Revenue for the six months ended 30 June 2010 has decreased 3.6% compared to pcp due to lower traffic levels generally as well as extreme weather conditions in February that resulted in 50 inches of accumulated snowfall and 13 weather affected days.

Greenway increased peak and off-peak tolls by 8.8% and 12.5% respectively on 1 July 2010. This is part of a toll schedule approved by the Virginia regulator, the State Corporation Commission, which specifies maximum toll increases through to 2012. Legislation is also in place that allows the Dulles Greenway to increase tolls annually from 1 January 2013 through to 1 January 2020 by the highest of the following three measures: increase in CPI plus 1%, growth in real GDP, or 2.8%.

EBITDA for the six months ended 30 June 2010 has decreased by USD1.9m as a result of an 8.3% increase in operating expenses caused primarily by increased snow removal expenses in February.

The EBITDA margin for the year to date was 3.4% lower than the pcp, primarily due to lower traffic levels and higher winter operating and maintenance expenses.

The concessionaire terminated the third party O&M service provider's contract in April 2010 and began self-performing operations on 6 May 2010. This is expected to result in operational efficiencies which will be reflected in the concessionaire's performance going forward.

2.5.2 Operational initiatives

TRIP II continues to assess opportunities to improve O&M performance. Recent initiatives include:

- improving the efficiency of toll collection and maintenance operations following internalisation of all operations and maintenance;
- improving communication and coordination between the control room and the O&M team;
- implementing the use of handheld wireless devices for processing credit card transactions; and
- installing a new intercom system for ramp communications and adding a push-to-talk cell service.

2.5.3 Traffic

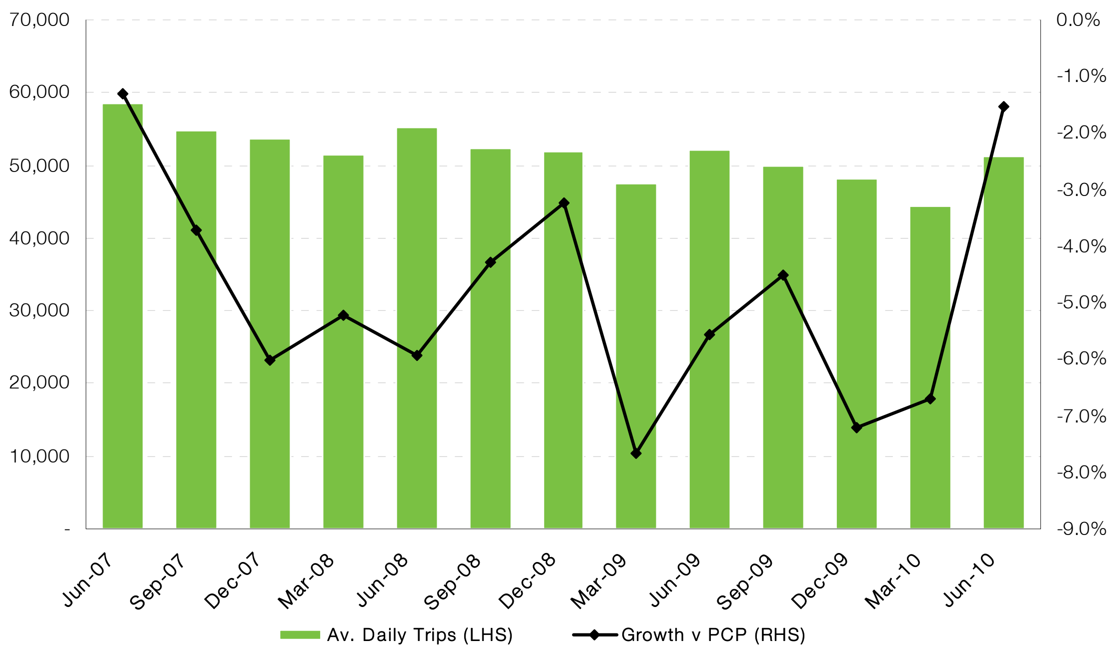
Table 14 – Dulles Greenway traffic performance

	Quarter to Date			Year to Date		
Category	Apr-Jun 2009	Apr-Jun 2010	Change vs. pcp	Jan-Jun 2009	Jan-Jun 2010	Change vs. pcp
Average daily traffic						
Average workday trips	59,763	59,335	(0.7%)	57,840	56,138	(2.9%)
Weekends/public holidays	34,741	33,110	(4.7%)	32,278	29,681	(8.0%)
All days	52,064	51,266	(1.5%)	49,790	47,807	(4.0%)
Non-cash transactions	86.2%	88.1%	1.9%	86.2%	87.8%	1.6%
Workdays in period	63	63	+0	124	124	+0
Non workdays in period	28	28	+0	57	57	+0

Average Daily Traffic (ADT) on the Dulles Greenway for the period has decreased 4.0% compared to pcp. The 1.5% decrease in the June quarter represents the best quarterly traffic performance compared to pcp on Greenway since June 2007.

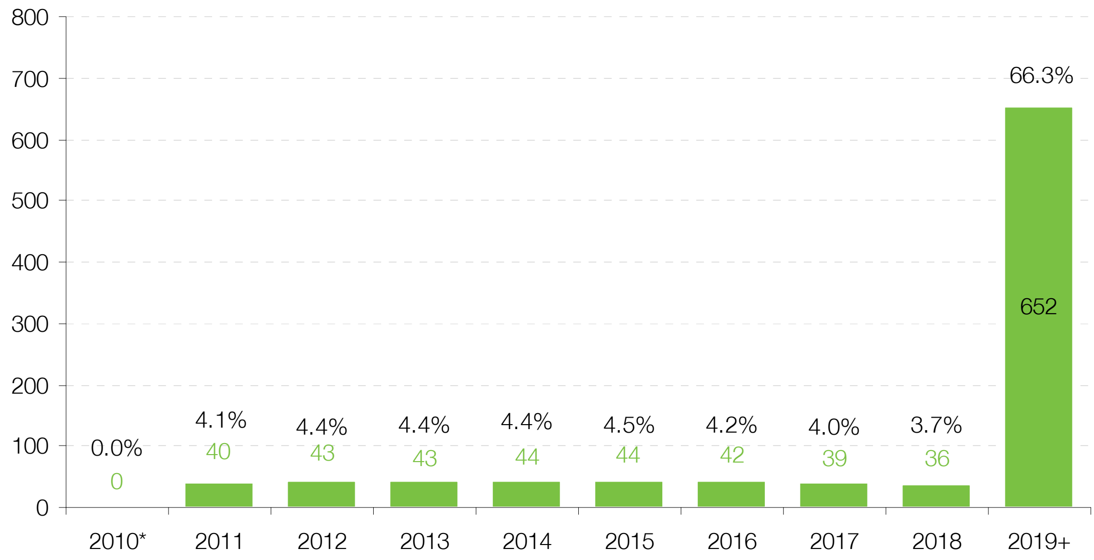
Traffic volumes on the adjoining Dulles Toll Road (DTR) fell by 4.6% during the first half of 2010. It is noted that tolls on the DTR increased on 1 January 2010 by USD0.25 per transaction.

Figure 13 – Dulles Greenway quarterly traffic performance



2.5.4 Financing and debt

Figure 14 – Dulles Greenway debt maturity profile (USDm)



* 2010 Asset Debt Maturity refers to debt maturing in the second half of 2010.

There have been no major developments on the Dulles Greenway debt position in first half of 2010. The Dulles Greenway did not meet its distribution tests at 31 December 2008 and consequently is in distribution lock-up under its senior debt indentures through to at least 31 December 2011. Excess cash will continue to accumulate while Greenway is in lock up and will be distributed when the project complies with the DSCR lock-up tests. Greenway continues to operate on a positive cash flow basis and is well capitalised, with more than USD150m of cash as at 30 June 2010. The DSCR and ADSCR for 2009 was 1.35x.

Ratings review

S&P continues to hold a BBB- underlying rating on TRIP II's USD984m project revenue bonds. The outlook is stable. Moody's Investors Service currently has an underlying rating of Baa3 on TRIP II with a negative outlook.

Fitch recently downgraded TRIP II's bonds from BBB to BBB- citing traffic declines. This brings the Fitch rating in line with S&P and Moody's.

2.6 M6 Toll – Birmingham, UK

2.6.1 Financial performance

Figure 15 – M6 Toll revenue (GBPm), 6 months ended 30 June

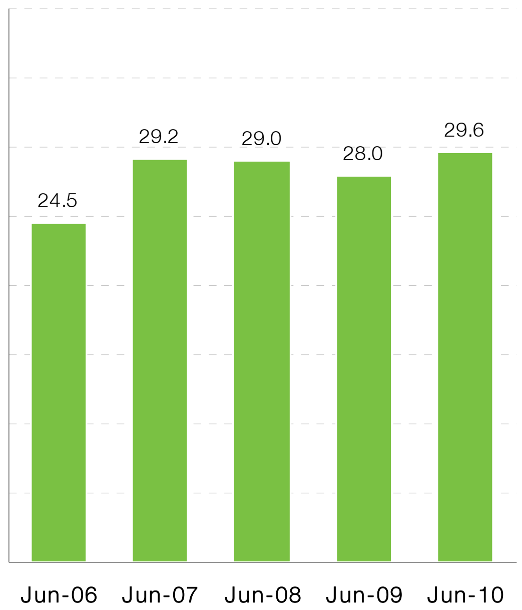
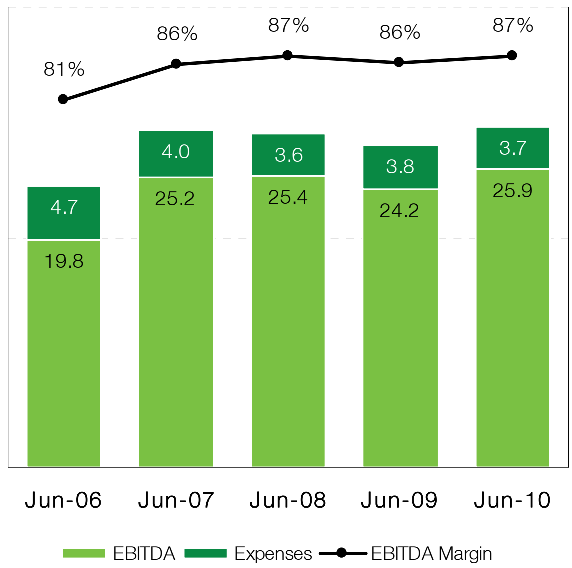


Figure 16 – M6 Toll EBITDA (GBPm), 6 months ended 30 June



Traffic levels were resilient in the six months to June 2010, despite inclement weather in January 2010, and a toll increase which was effective from 1 March 2010. Average daily traffic grew by 4.0% on pcp, with weekdays showing higher growth than weekend traffic. In addition to traffic growth, the toll increase from GBP4.70 to GBP5.00 for cars using mainline toll plazas on weekdays resulted in revenues growing by 6.3% on pcp.

Operating costs were comparable with the prior period.

Toll increases effective 1 March were as follows;

- Cars increased 30p to GBP5.00 (6.4%) at mainline toll plazas during weekday day times and heavy vehicles increased 60p to GBP10.00 (6.4%) at mainlines at similar times. There were no changes for weekend and night toll rates.
- Tag and Ramp discounts were maintained at current levels.

2.6.2 Operational initiatives

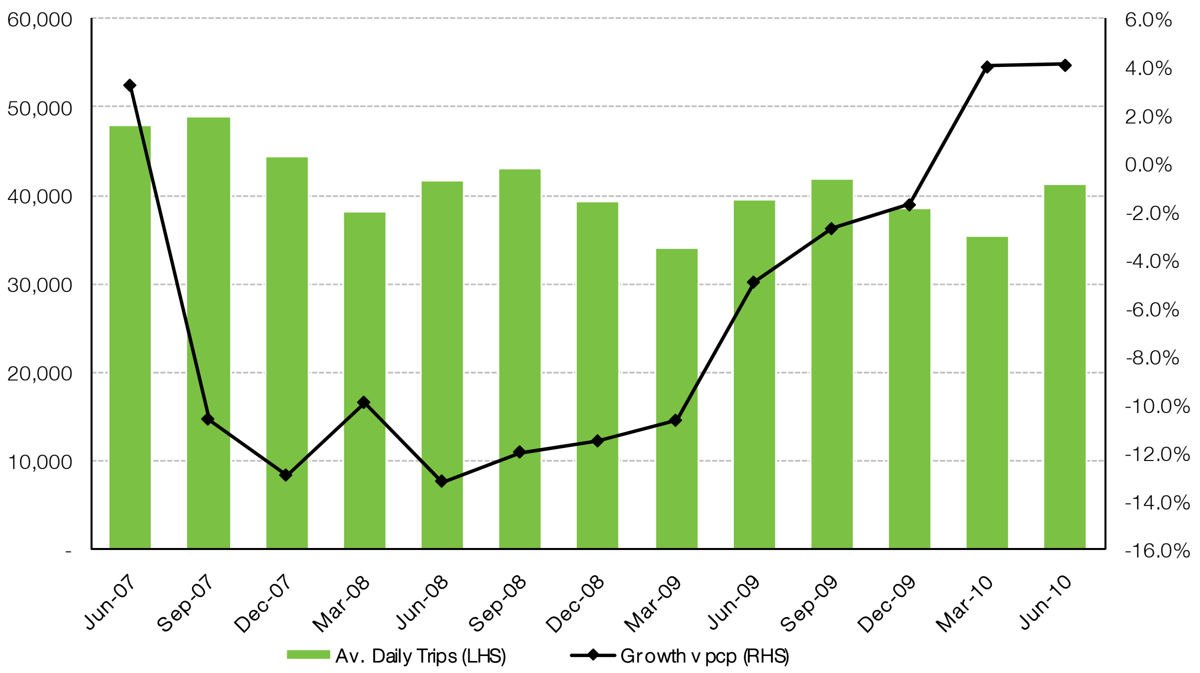
Overall tag usage in the six months to June 2010 was comparable to 2009, at 11.7% of total transactions. For the same period, non-cash transactions represented 60.0% of total transactions and non-attended transactions, including those using automated coin machines, accounted for 78.6% of total transactions.

2.6.3 Traffic

Table 15 – M6 Toll traffic performance

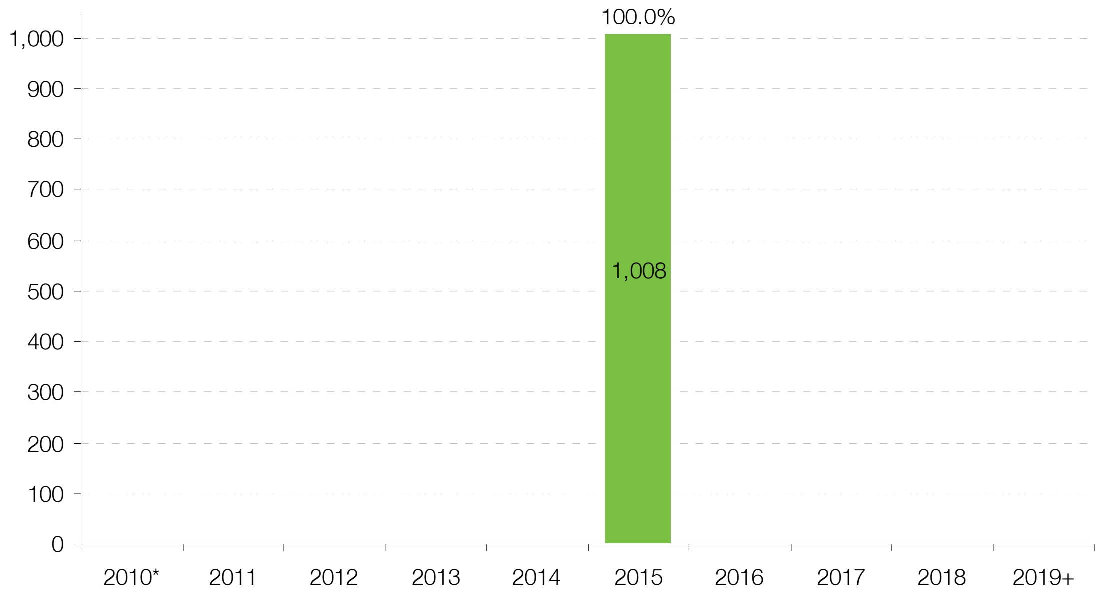
	Quarter to Date			Year to Date		
Category	Apr-Jun 2009	Apr-Jun 2010	Change vs. pcp	Jan-Jun 2009	Jan-Jun 2010	Change vs. pcp
Average daily traffic						
Average workday trips	44,557	46,606	4.6%	41,787	43,413	3.9%
Weekends/public holidays	29,464	30,194	2.5%	25,954	27,143	4.6%
All days	39,581	41,195	4.1%	36,801	38,290	4.0%
Non-cash transactions	54.7%	58.1%	3.4%	57.0%	60.3%	3.3%
Workdays in period	61	61	+0	124	124	+0
Non workdays in period	30	30	+0	57	57	+0

Figure 17 – M6 Toll quarterly traffic performance



2.6.4 Financing and debt

Figure 18 – M6 Toll debt maturity profile (GBPm)



* 2010 Asset Debt Maturity refers to debt maturing in the second half of 2010.

In March 2010, Macquarie Motorways Group (MMG), the holding company for M6 Toll ceased to be rated by S&P, at MMG's request. This decision has no impact on debt margins going forward.

Coverage ratios for the M6 Toll remained well above debt service coverage ratio covenants. The debt facility is not due to mature until August 2015, however a cash sweep of 40% is due to commence in August 2011 escalating to 100% by August 2014.

2.7 Chicago Skyway – Chicago, US

2.7.1 Financial performance

Figure 19 – Chicago Skyway revenue (USDm), 6 months ended 30 June

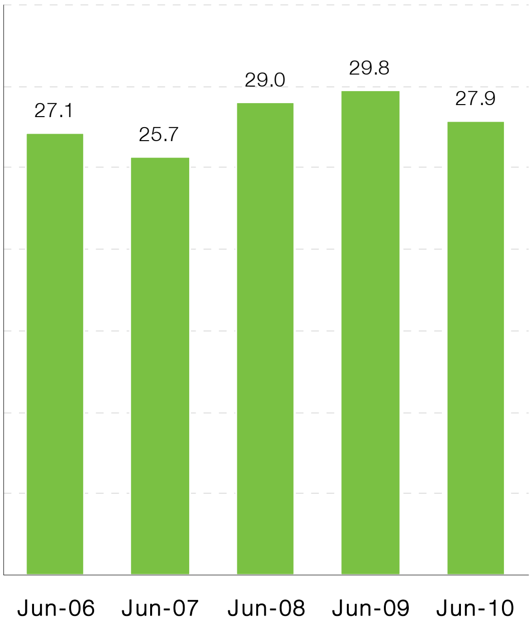
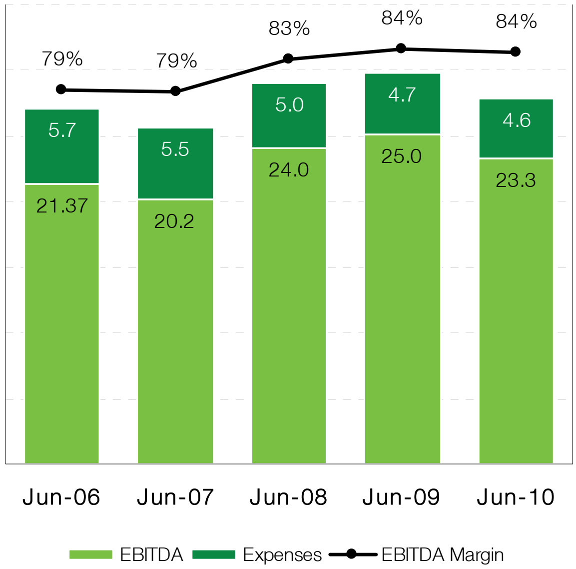


Figure 20 – Chicago Skyway EBITDA (USDm), 6 months ended 30 June



Revenue for the six months ended June 2010 decreased 6.3% compared to pcp to USD27.9m due to traffic declines as a result of continuing weak economic conditions, improvements to adjoining road networks and ongoing construction on the connecting ITR barrier system.

Operating expenses for the period decreased 3.2%, increasing EBITDA margin by 0.5% partially offsetting the decline in revenue. EBITDA of USD23.3m is down 6.9%.

2.7.2 Operational initiatives

Management continues to promote ETC transponder use. Light vehicle ETC usage was at 53.7% of total light vehicle transactions for the June 2010 quarter while heavy vehicle ETC usage was at 83.3% of total heavy vehicle transactions.

Skyway's quality management system has been certified by the International Organization for Standardization (ISO) after an external audit process. This certification recognises Skyway's quality management processes as well as compliance with the Concession Lease Agreement and other regulatory obligations.

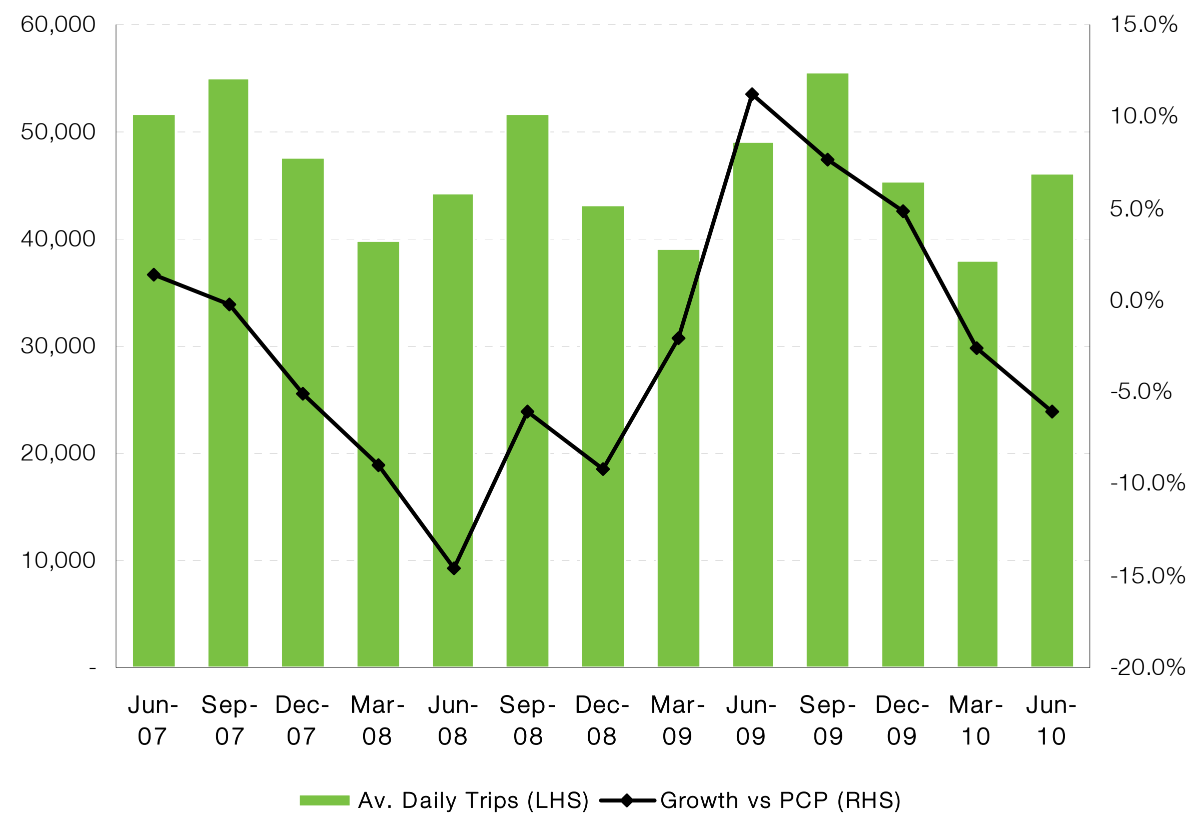
2.7.3 Traffic

Table 16 – Chicago Skyway traffic performance

	Quarter to Date			Year to Date		
Category	Apr-Jun 2009	Apr-Jun 2010	Change vs. pcp	Jan-Jun 2009	Jan-Jun 2010	Change vs. pcp
Average daily traffic						
Average workday trips	47,892	44,602	(6.9%)	43,682	41,049	(6.0%)
Weekends/public holidays	51,996	49,788	(4.2%)	45,068	44,494	(1.3%)
All days	49,155	46,198	(6.0%)	44,118	42,134	(4.5%)
Non-cash transactions	55.0%	56.7%	1.7%	55.5%	57.4%	1.9%
Workdays in period	63	63	+0	124	124	+0
Non workdays in period	28	28	+0	57	57	+0

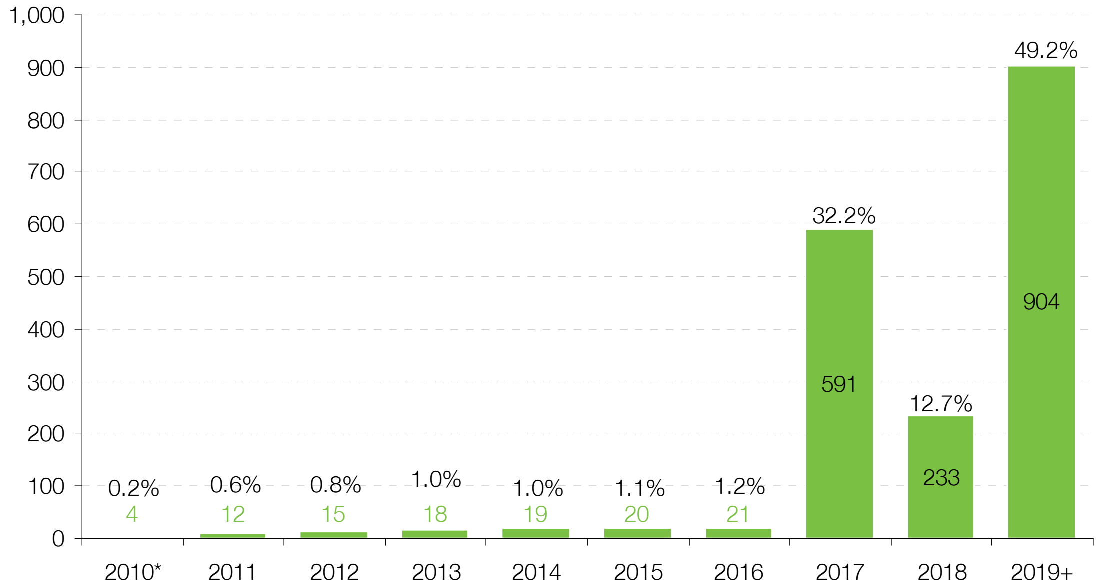
Average daily traffic for the year to date was 4.5% below pcp. Traffic in the prior corresponding period was positively impacted by construction on the major competing route to the Skyway. Traffic has also been negatively impacted by ongoing construction on the adjoining ITR barrier system.

Figure 21 – Chicago Skyway quarterly traffic performance



2.7.4 Financing and debt

Figure 22 – Chicago Skyway debt maturity profile (USDm)



* 2010 Asset Debt Maturity refers to debt maturing in the second half of 2010.

There were no major developments on the debt position of the Chicago Skyway during the year. Skyway Concession Company LLC (SCC) made a USD12.0m distribution in January 2010, with 50% of the distribution paid to subordinated debt lenders and the remaining 50% distributed to the equity holders. SCC also made a USD2.5m distribution in July 2010 which was split equally between Skyway's subordinated debt lenders and equity holders.

2.8 Indiana Toll Road (ITR) – Indiana, US

2.8.1 Financial performance

Figure 23 – ITR revenue (USDm), 6 months ended 30 June

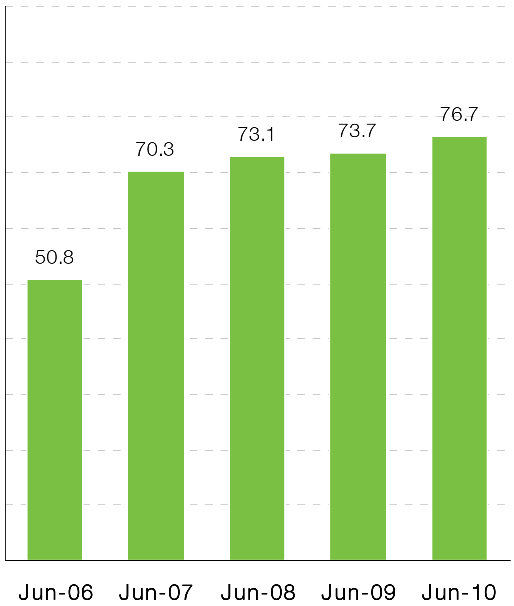
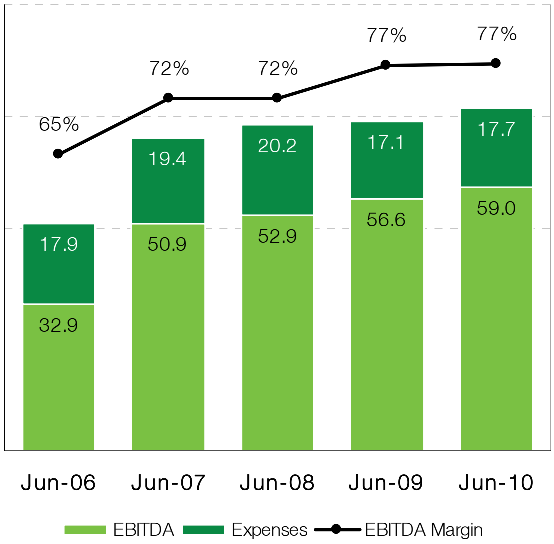


Figure 24 – ITR EBITDA (USDm), 6 months ended 30 June



Revenue for the six months ended 30 June 2010 increased by USD3.0m (or 4.1%) to USD76.7m, relative to the pcp, driven by the heavy vehicle toll increases implemented in April 2009 and the improving performance of the ticket system.

Operating expenses for the period were 3.4% higher than the pcp due to technology, engineering, and external consulting costs as a result of the tolling and back-office system improvement projects. The EBITDA margin has remained consistent as a result of increases in both revenue and operating expenses.

ITR increased tolls on 1 July 2010 by approximately 9.9% for a full-length trip. For every year going forward, ITR may increase tolls at the greater of the increase in CPI or nominal GDP per capita or 2%.

A state subsidized “toll freeze” is currently scheduled to remain in place for passenger vehicles using ETC until 2016. During this period, the State of Indiana will reimburse ITR for the difference between the actual toll paid by each ETC passenger vehicle and the higher toll applicable to cash users.

2.8.2 Operational initiatives

Transponder usage continues to increase as ITR promotes the benefits of using ETC, which include lower tolls and travel time savings. On the barrier system, ETC usage was 64.3% of total barrier transactions in the June 2010 quarter. On the ticket system, ETC usage was at 60.7% of total ticket transactions.

ITR’s Customer Care Centre has issued over 115,000 i-Zoom transponders as at 30 June 2010, or 11% more than at 31 March 2010.

Progress on the Mandatory Expansion Works continues. Construction is currently 77.0% complete and all environmental permits have been obtained.

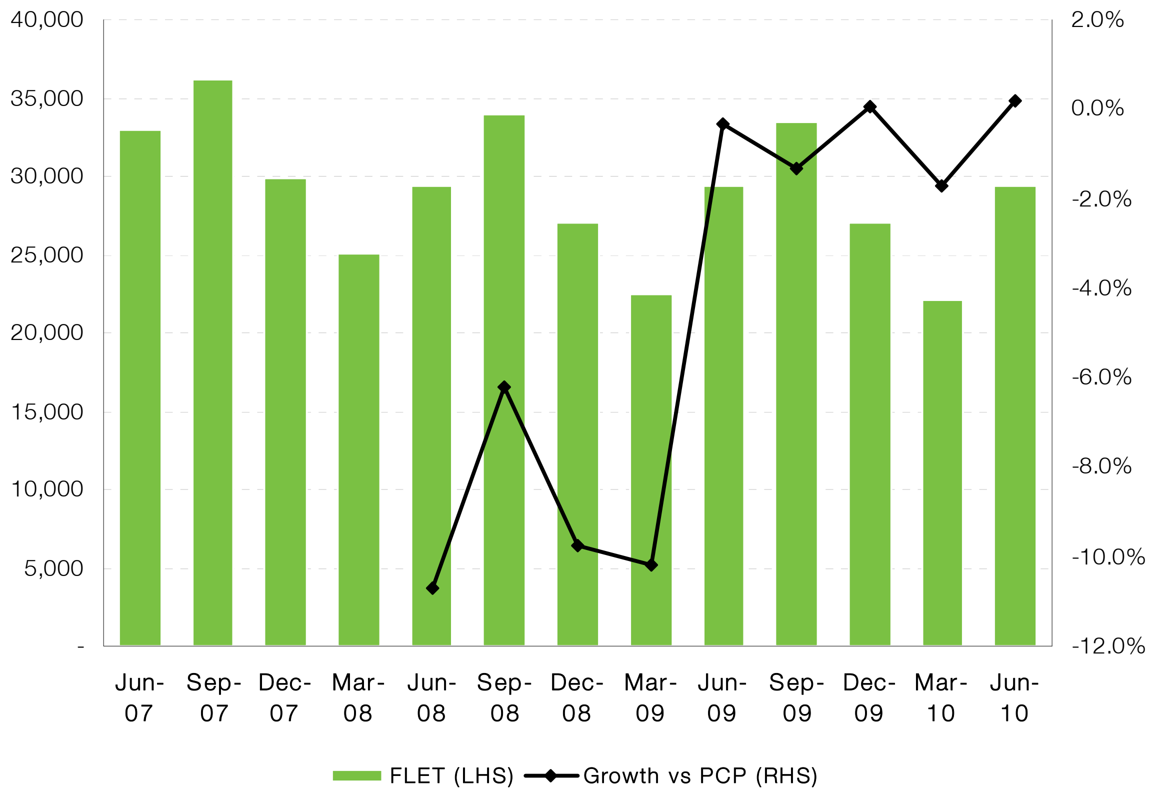
2.8.3 Traffic

Table 17 – ITR traffic performance

	Quarter to Date			Year to Date		
Category	Apr-Jun 2009	Apr-Jun 2010	Change vs. pcp	Jan-Jun 2009	Jan-Jun 2010	Change vs. pcp
Average daily traffic						
Ticket (FLET)	24,401	25,291	3.6%	21,482	21,963	2.2%
Barrier (FLET)	56,688	52,121	(8.1%)	50,620	46,880	(7.4%)
Non-cash – ticket (ADT)	55.0%	60.5%	5.5%	56.6%	61.9%	5.3%
Non- cash – barrier (transactions)	60.0%	64.4%	4.4%	61.0%	65.0%	4.0%
Workdays in period	63	63	+0	124	124	+0
Non workdays in period	28	28	+0	57	57	+0

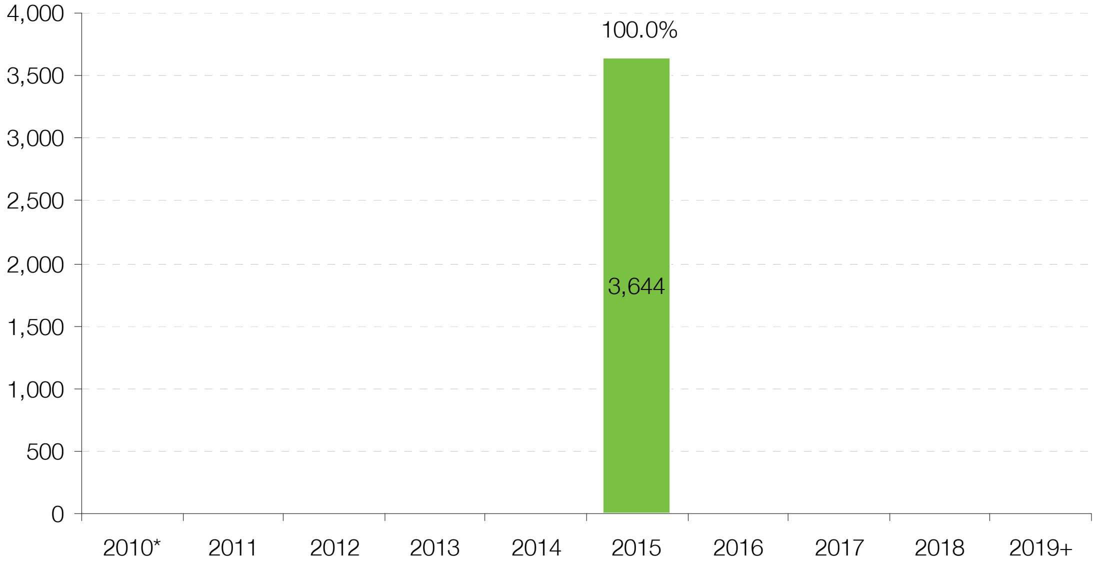
Average daily traffic on the Indiana Toll Road (ITR) for the period, measured in full length equivalent trips (FLET), has increased 2.2% on the ticket system but decreased 7.4% on the barrier system compared to pcp. Barrier system traffic was negatively impacted by reduced construction disruption on the alternate routes and mandatory expansion construction work on the toll road itself.

Figure 25 – Indiana Toll Road quarterly traffic performance (total trips)



2.8.4 Financing and debt

Figure 26 – Indiana Toll Road debt maturity profile (USDm)



* 2010 Asset Debt Maturity refers to debt maturing in the second half of 2010.

There were no major developments on the debt position of ITR during the year.

This page has been left blank intentionally

Appendices

APPENDIX 1 – MACROECONOMIC INDICATORS

Table 18 – Spot foreign exchange rates

	30 Jun 10
Euro	0.6879
Pound Sterling	0.5630
United States Dollar	0.8411

The spot exchange rates in this table are the exchange rates that have been applied to the translation of proportionate net debt as at 30 June 2010.

Table 19 – Average foreign exchange rates

	Quarter ended 31 Mar 10	Quarter ended 30 Jun 10
Euro	0.6536	0.6938
Pound Sterling	0.5798	0.5913
United States Dollar	0.9044	0.8815

In deriving Australian Dollar income for the purpose of proportionate earnings, the Group applies quarterly average exchange rates to all foreign income and expenses in the relevant quarter. The above table highlights the average exchange rates applied for the 6 months ended 30 June 2010.

APPENDIX 2 – TRAFFIC PERFORMANCE

Table 20 – Traffic performance vs pcp

	Quarter ('000)			Year to date ('000)		
Asset	3 months 30 Jun 10	3 months 30 Jun 09	Change vs. pcp	6 months 30 Jun 10	6 months 30 Jun 09	Change vs. pcp
APRR (Group)						
Toll Revenue (EUR)	477	450	6.0%	904	860	5.2%
Light Vehicle VKT (millions)	4,548	4,384	3.7%	8,412	8,195	2.6%
Heavy Vehicle VKT (millions)	820	754	8.8%	1,606	1,518	5.8%
Total VKT (millions)	5,368	5,138	4.5%	10,018	9,713	3.1%
Dulles Greenway						
Av Daily Rev (USD)	183	185	(1.0%)	170	176	(3.7%)
Av Workday Traffic	59	60	(0.7%)	56	58	(2.9%)
Av Non-workday Traffic	33	35	(4.7%)	30	32	(8.0%)
Av All day Traffic	51	52	(1.5%)	48	50	(4.0%)
M6 Toll						
Av Daily Rev (GBP)	178	165	7.6%	163	153	6.3%
Av Workday Traffic	47	45	4.6%	43	42	3.9%
Av Non-workday Traffic	30	29	2.5%	27	26	4.6%
Av All day Traffic	41	40	4.1%	38	37	4.0%
Chicago Skyway						
Av Daily Rev (USD)	166	181	(8.0%)	153	164	(6.6%)
Av Workday Traffic	45	48	(6.9%)	41	44	(6.0%)
Av Non-workday Traffic	50	52	(4.2%)	44	45	(1.3%)
Av All day Traffic	46	49	(6.0%)	42	44	(4.5%)
Indiana Toll Road						
Av Daily Rev (USD)	436	431	1.1%	397	382	3.8%
All Days – Ticket FLET	25	24	3.6%	22	21	2.2%
All Days – Barrier FLET	52	57	(8.1%)	47	51	(7.4%)
Warnow Tunnel						
Av All day Traffic	12	11	13.0%	10	10	3.2%

APPENDIX 3 – PORTFOLIO CHARACTERISTICS

Figures 27 to 29 present portfolio characteristics for the Group at 30 June 2010.

Figure 27 – Geographic split of assets

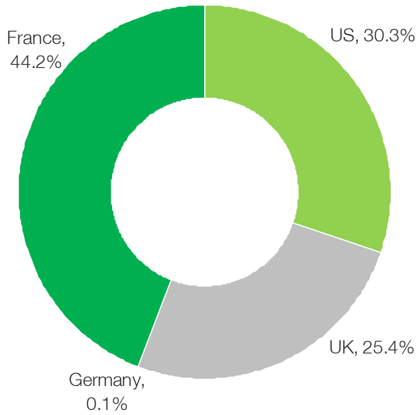


Figure 28 – Concession term remaining

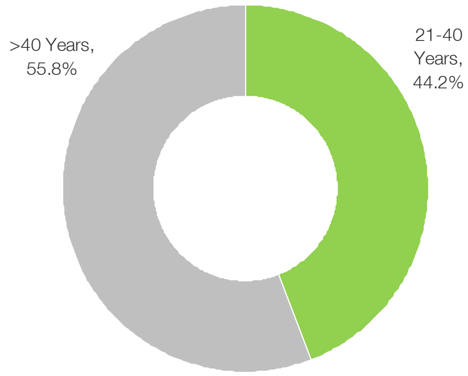
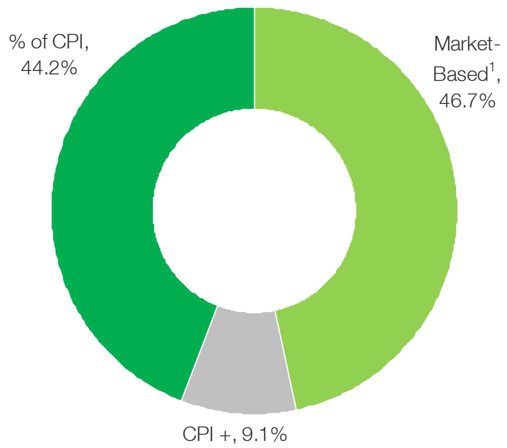


Figure 29 – Tolling mechanism



1. Dulles Greenway has been included in the 'Market Based' category. The toll schedule has been set by the Virginia State Corporation Commission (SCC) through to the end of 2012. From 2013 through to 2020 tolls can escalate annually at the highest of CPI +1%, Real GDP, or 2.8% per annum. Post 2020 tolls are set by the SCC on application.

APPENDIX 4 – DEBT MATURITY PROFILE OF ASSETS

Table 21 – Debt Maturity Profile of Assets[1]

		Financial Year									
Assets	Currency	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19+
APRR/ Eiffarie	EURm	4.9	529.3	579.8	5,005.5	1,115.3	1,346.2	401.8	391.0	711.0	166.9
Dulles Greenway	USDm	-	40.3	43.0	43.3	43.6	43.9	41.8	39.4	36.1	651.8
M6 Toll	GBPm	-	-	-	-	-	1,008.3	-	-	-	-
Chicago Skyway	USDm	4.4	11.7	15.0	18.1	19.1	19.6	21.5	591.0	233.3	903.8
ITR	USDm	-	-	-	-	-	3,643.7	-	-	-	-
Warnow Tunnel	EURm	0.4	0.3	0.4	0.4	0.2	0.8	1.5	1.7	2.0	157.2

1. The above debt maturity profile reflects a 100% consolidation of the debt balances of road assets as at 30 June 2010 (excludes future capitalised interest).

APPENDIX 5 – DEBT RATINGS OF ASSETS

Table 22 – Debt Ratings of Assets

Asset	Rating	Rating Agency	Rating date
APRR	BBB-	Standard and Poors	November 2008
	Baa3	Moody's	August 2008
Dulles Greenway[1]	BBB-	Standard and Poors	September 2009
	Baa3	Moody's	February 2009
	BBB-	Fitch	July 2010
Chicago Skyway[2]	AAA	Standard and Poors	n/a
	Aaa3	Moody's	n/a

1. The Dulles Greenway bonds have been insured by National Public Finance Guarantee Corporation (NPFGC), formerly named MBIA, and were rated AAA, Aaa and AAA on issue by S&P, Moody's and Fitch respectively. The current rating of NPFGC is A and Baa1 by S&P and Moody's respectively.
2. These are the latest ratings for Assured Guaranty Municipal Corp (previously FSA), which has insured Skyway's senior bonds. Skyway's senior bonds were rated AAA and Aaa on issue by S&P and Moody's respectively.

APPENDIX 6 – DSCR CALCULATION METHODOLOGY

APRR

The DSCR test defined in the debt documents is DSCR = Total CFADS / Total debt service

- APRR CFADS = APRR's EBITDA +/- changes in working capital - capex not funded by debt - tax payments + dividends received
- Total CFADS = (APRR CFADS * proportion of APRR owned by Eiffarie) - Eiffarie tax paid (received) - Eiffarie opex
- APRR/Eiffarie debt service = net interest paid + recurring fees + net hedge payments + scheduled principal repayments (except those falling due at a final maturity date)
- Total debt service = (APRR debt service * proportion of APRR owned by Eiffarie) + Eiffarie debt service

Dulles Greenway

The Minimum Coverage Ratio is calculated as Net Toll Revenues (Toll Revenues - Operating Expenses) / Total Debt Service

- Toll Revenues = all amounts received including all receivables, revenues and income generated from toll booths, plazas, and collection systems
- Operating Expenses = current expenses for operation and maintenance
- Total Debt Service = the sum of all principal of and interest on outstanding bonds payable during such period plus scheduled early redemption amounts

The Additional Coverage Ratio is calculated as (Net Toll Revenues – Improvement Fund Drawdowns – Operating Reserve Drawdowns) / Total Debt Service

- Improvement Fund Requirement – 100% of the amount set forth in the most recent approved budged for capital expenditure
- Operating Reserve Requirement – 50% of the amount set forth in the most recently approved budget for all current expenses

Both ratios are tested annually at 31 December.

Dulles Greenway Distribution tests worked example:

	2009 Actual	2008 Actual
Toll Revenues	63,782,561	56,463,405
Operating Expenses	(18,165,281)	(17,245,713)
Net Toll Revenues (Minimum Coverage Ratio)	45,617,280	39,217,692
Improvement Fund Deposit	-	(2,018,031)
Increase Operating Reserve Fund	-	(955,189)
Net Toll Revenues (Additional Coverage Ratio)	45,617,280	36,244,472
1999A	2,493,750	2,493,750
1999B	23,500,000	19,100,000
2005A	7,800,000	14,100,000
2005B/2005C	-	-
Total Debt Service[1]	33,793,750	35,693,750
Minimum Coverage Ratio – 1.25x	1.35x	1.10x
Additional Coverage Ratio – 1.15x	1.35x	1.02x

[1] Debt Service = the sum of (a) Debt Service on all Series 1999 Bonds Outstanding for such Fiscal Year, (b) Debt Service on all Series 2005 Bonds Outstanding for such Fiscal Year, and (c) scheduled early redemption amounts for such Fiscal Year as set forth in the Early Redemption Schedule for the 2005 Bonds.

M6 Toll

DSCR is defined as CFADS over Debt Service Obligations over a given period, defined as:

- CFADS = the aggregate of all Gross Revenues (other than any Compensation) received during the period less: the Operating Expenditure paid during the period
- Gross Revenues: all monies received/receivable by the Borrower (except ringfenced accounts)
- Compensation: Sums payable to ProjectCo in respect of nationalisation/expropriation/compulsory purchase by Government
- Operating Expenditure: Amounts payable by the Borrower including Taxes, Lenders' Agent expenses, any other cost up to GBP1.0m RPI indexed
- Debt Service Obligations = Scheduled interest payable, plus Scheduled principal amounts (net of refinancings) excluding prepayments, mandatory prepayments (i.e. cash sweeps) and Additional Fixed Amounts (the Swap Cash Sweep amounts), plus any fees related to the debt, and net amounts paid/received under the Swap, excluding Swap Termination Payments

Chicago Skyway

On Skyway the DSCR is calculated as Net Cash Flow / Senior Debt Service.

- Net Cash Flow = Toll Revenue + Concession Revenue + Interest Revenue – Opex
- Senior Debt Service = Senior Principal + Senior Interest + Senior Debt Fees

The lock-up test is on a two-year look forward, one year look-back basis.

Indiana Toll Road

On ITR the DSCR is calculated as Net Cash Flow / Debt Service

- Net Cash Flow = Toll Revenue + Concession Revenue + Interest Revenue – Opex
- Debt Service = Principal + Interest + Debt Fees

For ITR, DSCR is brought back up to 1.00x by Liquidity Facility drawdowns.

Warnow Tunnel

The Annual DSCR shall be for each Payment Date the ratio of the Total Cash Flow Available for Debt Service for the past 12 months to the total amount of interest and principal, payable under the Tranche I for the same period. The Annual DSCR shall be calculated by the Facility Agent at each Calculation Date on the basis of the information available in the latest unaudited financial statements or if available, the latest audited financial statements of the Borrower as the case may be. The Annual DSCR shall be at least equal to 1.05x to 1x.