MACQUARIE ATLAS ROADS

MANAGEMENT INFORMATION REPORT

31 DECEMBER 2010

MACQUARIE

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"). MARL is a company limited by shares incorporated and domiciled in Australia and the registered office is C/- Company Secretarial, Mezzanine Level, No 1 Martin Place, Sydney, NSW 2000, Australia. 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. Macquarie Fund Advisers Pty Limited (ACN 127 735 960) (AFS Licence No. 318123) ("MFAPL") (formerly Macquarie Capital Fund Advisory Services Pty Limited) is the manager/adviser of MARL and MARIL. MFAPL 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.

MFAPL as manager/adviser of MARL and MARIL is entitled to fees for so acting. MGL and its related corporations (including MFAPL) 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 Financial Report of Macquarie Atlas Roads (MQA or the Group) for the period ended 31 December 2010. This Report has been prepared on a different basis to the MQA 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 31 December 2010 as in the Financial Report. This Report should be read in conjunction with the Financial Report of MQA.

On 2 February 2010 Macquarie Infrastructure Group effected a group restructure by demerging its interests in the APRR, Dulles Greenway, M6 Toll, Chicago Skyway, Indiana Toll Road, 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 Australian Securities Exchange (ASX) as Macquarie Atlas Roads (ASX:MQA).

For comparability purposes this Report presents the results of MQA's portfolio of road assets for the 12 months ended 31 December 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 31 December 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 31 December, again reflecting ownership of the portfolio of road assets from 2 February 2010.

This Report comprises the following Sections:

Overview Sections covers MQA's structure and portfolio,

Section 1 Portfolio Performance presents a summary of road asset performance, proportionate earnings and other measures for the 12 months ended 31 December 2010.

Sections 2 and 3 Financial Performance provide a more detailed analysis of the performance of MQA's core assets (APRR, Dulles Greenway and the M6 Toll) and non-core assets (Chicago Skyway, Indiana Toll Road and the Warnow Tunnel).

Section 4 – Fund Performance covers the fund performance for the period from 2 February to 31 December 2010.

Section 5 – Summary of significant account policies details the policies that have been applied in preparation of this Report.

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 2, 3 and 4 of the Report: Proportionate Earnings (Tables 3, 5, 6, 10, 12, 13, 16 and 17), Proportionate Net Debt (Tables 4 and 11) and Aggregated Cash Flow Statement (Table 18).

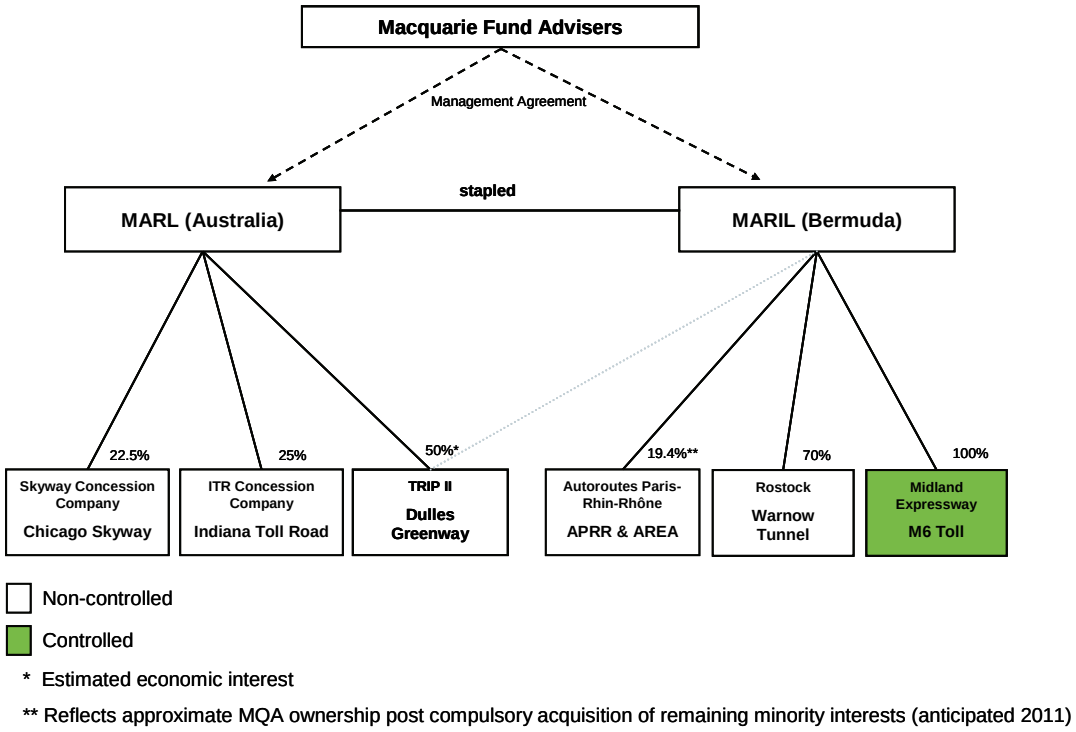
PwC conducted its engagement in accordance with Australian Auditing Standards applicable to agreed upon procedures engagements. The procedures do not constitute either an audit or review in accordance with Australian Auditing Standards and accordingly PwC expresses no assurance over the accuracy of the above information or any other aspect of the Report.

OVERVIEW OF STRUCTURE

MQA is a stapled security listed on the ASX. 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 31 December 2010 (unless otherwise stated).

Figure 1 – Structure at 31 December 2010



Information in this Report is presented on an aggregated basis, reflecting MQA's structure at 31 December 2010 (unless otherwise stated).

ASSET PORTFOLIO

As at 31 December 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 31 Dec 10
APRR/Eiffarie[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 2011).
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.

Portfolio Performance

1 PORTFOLIO PERFORMANCE

1.1 Traffic and Toll Revenue Analysis

Table 1 – Summary of traffic and toll revenue growth for 12 months to 31 December

			Traffic Growth on pcp		Toll Revenue Growth on pcp[1]	
		Traffic Metric	12 months to 31 Dec 10	12 Months to 31 Dec 09	12 months to 31 Dec 10	12 Months to 31 Dec 09
Core Assets	APRR	Total VKT	2.6%	0.3%	4.3%	1.2%
	Dulles Greenway	Av Daily Traffic	(3.5%)	(6.2%)	1.8%	13.3%
	M6 Toll	Av Daily Traffic	3.2%	(4.9%)	6.2%	0.8%
Non-Core Assets	Chicago Skyway	Av Daily Traffic	(4.9%)	5.8%	(6.9%)	2.9%
	Indiana Toll Road	Full Length Equivalent Trips[2]	(0.1%)	(2.6%)	9.5%	1.7%
	Warnow Tunnel	Av Daily Traffic	8.8%	(2.5%)	12.6%	2.1%
Portfolio Revenue Weighted Average			2.1%	(0.7%)	4.6%	1.7%

1. Excludes other revenue such as rental income.
2. 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 2.1% on prior corresponding period (pcp) for the 12 months to 31 December 2010. Over the past year, portfolio traffic and revenue have improved from the low point of early 2009.

The improved traffic performance at APRR and the M6 Toll is particularly encouraging given the severe weather conditions during the year and toll increases effective from 1 February 2010 and 1 March 2010 respectively.

Average daily traffic at Dulles Greenway was below pcp, primarily as a result of the new toll schedule which came into effect on 1 July 2010 and the impact of unusually harsh winter weather (50 inches of accumulated snowfall) in the first quarter of 2010.

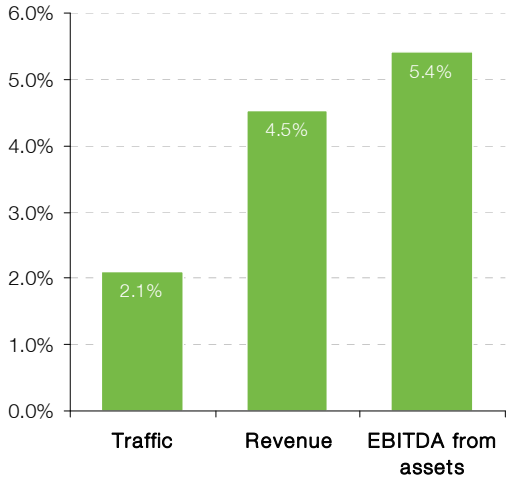
The underlying toll revenue increased for most roads in the portfolio reflecting improving traffic trends and the positive impact of the changes to tolling structures implemented during 2010, in particular on APRR and the M6 Toll. This was partially offset by traffic and revenue declines experienced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

1.2 Performance Summary

Table 2 – Performance Summary Aggregated – Road Assets

	Actual[1] Results 12 months to 31 Dec 10	Proforma[2] Results 12 months to 31 Dec 09	Change vs. pcp
Weighted Average Traffic Growth on prior corresponding period (pcp) (%)			2.1%
Proportionate Revenue (AUDm)	**764.3**	731.2	4.5%
Proportionate EBITDA from road assets (AUDm)	**550.9**	522.6	5.4%
EBITDA Margin (%)	**72.1%**	71.5%	n/a
Proportionate Earnings from road assets (AUDm)	**188.3**	175.4	7.4%

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



Underlying proportionately consolidated revenue and EBITDA from road assets increased 4.5% and 5.4% respectively for the 12 months ended 31 December 2010.

EBITDA growth was driven by improved underlying revenue, partially offset by higher operating expenses on APRR. Operating expenses at APRR mainly reflected higher winter maintenance costs following adverse weather conditions. A more detailed analysis of the performance of the toll roads can be found in Section 2 (core assets) and Section 3 (non-core assets) respectively.

1. Data represents the results of MQA's portfolio of road assets for the 12 months ended 31 December 2010, albeit that MQA did not acquire the assets until 2 February 2010.
2. Data for 31 December 2009 represents the results of MQA's portfolio of road assets for the 12 months ended 31 December 2009 adjusted for ownership interests and foreign exchange rates for the 12 months ended 31 December 2010.

This page has been left blank intentionally

Financial Performance - Core Assets

2 FINANCIAL PERFORMANCE – CORE ASSETS

MQA's core assets comprise APRR, Dulles Greenway and the M6 Toll.

Prior corresponding period results presented in this section of the Report are prepared on a proforma basis unless otherwise stated. Sections 2.4 to 2.6 are reported on a 100% asset basis and in the natural currency of the asset.

2.1 Proportionate Earnings – Core Assets

Table 3 – Proportionate Earnings for 12 months ended 31 December 2010

	Actual Results 12 months to 31 Dec 10 AUDm	Proforma Results 12 months to 31 Dec 09 AUDm	Change vs. pcp
Operating revenue	694.3	665.1	4.4%
Operating expenses	(199.0)	(193.7)	2.7%
EBITDA from road assets	495.3	471.4	5.1%
Asset maintenance capex	(30.4)	(31.3)	(2.9%)
Asset net interest expense	(204.7)	(214.4)	(4.5%)
Asset net tax expense	(64.1)	(39.8)	61.1%
Proportionate Earnings from road assets	196.1	185.9	5.5%

Further details on the preparation of this section of the Report are set out in the Summary of significant policies (Section 5).

2.1.1 Summary

Underlying proportionately consolidated revenue and EBITDA from road assets increased 4.4% and 5.1% respectively for the 12 months ended 31 December 2010 (YTD).

The underlying operating revenue of all three core assets increased 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. Lower traffic levels at Dulles Greenway, due in part to the extreme weather conditions in February, were offset by the impact of the toll increase on 1 July 2010.

EBITDA growth was recorded for all core assets and 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 core road assets (AUDm), 12 months ended 31 December

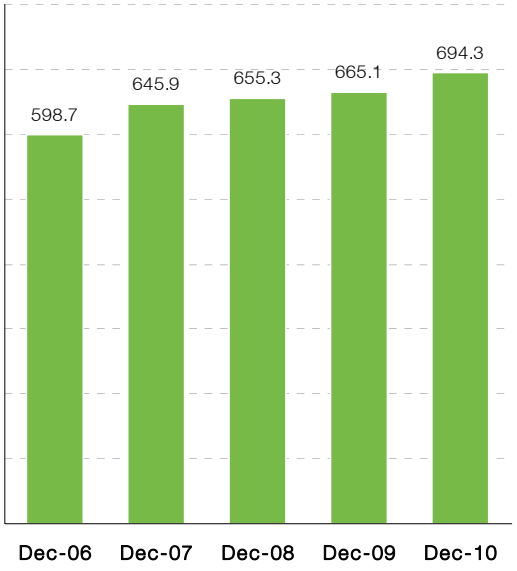
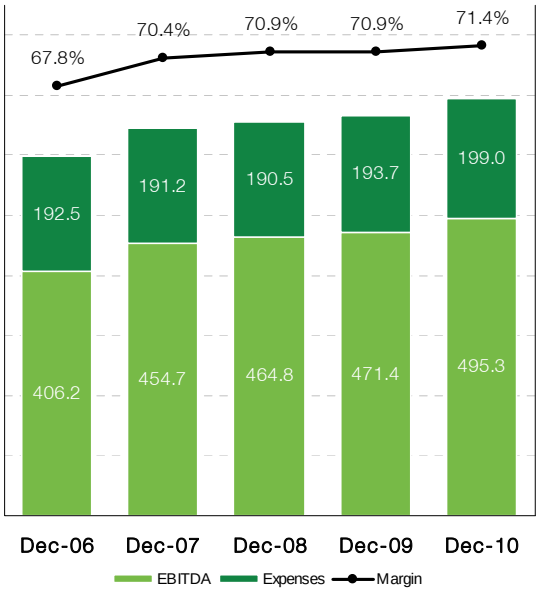


Figure 4 – Proforma proportionate EBITDA from core road assets (AUDm), 12 months ended 31 December



2.1.2 Operating revenue

Underlying operating revenue increased AUD29.2m (4.4%) 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. This was partially offset by lower traffic levels on Dulles Greenway due to severe weather conditions in February 2010. APRR implemented tariff increases on 1 April 2009 and 1 February 2010 and new tolling schedules for M6 Toll and Dulles Greenway came into effect on 1 March 2010 and 1 July 2010 respectively.

2.1.3 Operating expenses

Underlying operating expenses increased AUD5.3m (2.7%) for the YTD. In particular, adverse weather conditions resulted in higher winter maintenance costs for APRR and Dulles Greenway. In February 2010, Dulles Greenway experienced 50 inches of snowfall and 13 weather affected days. For APRR, there was also an increase in operational taxes charged by the French government.

2.1.4 EBITDA from road assets

Underlying EBITDA from road assets increased 5.1% to AUD495.3m for the YTD. Underlying road assets EBITDA margin increased from 70.9% to 71.4%.

2.1.5 Asset maintenance capex

Underlying asset maintenance capex decreased 2.9% for the YTD. The basis of calculation of maintenance capex is outlined in the Summary of significant policies (Section 5.1) of this Report.

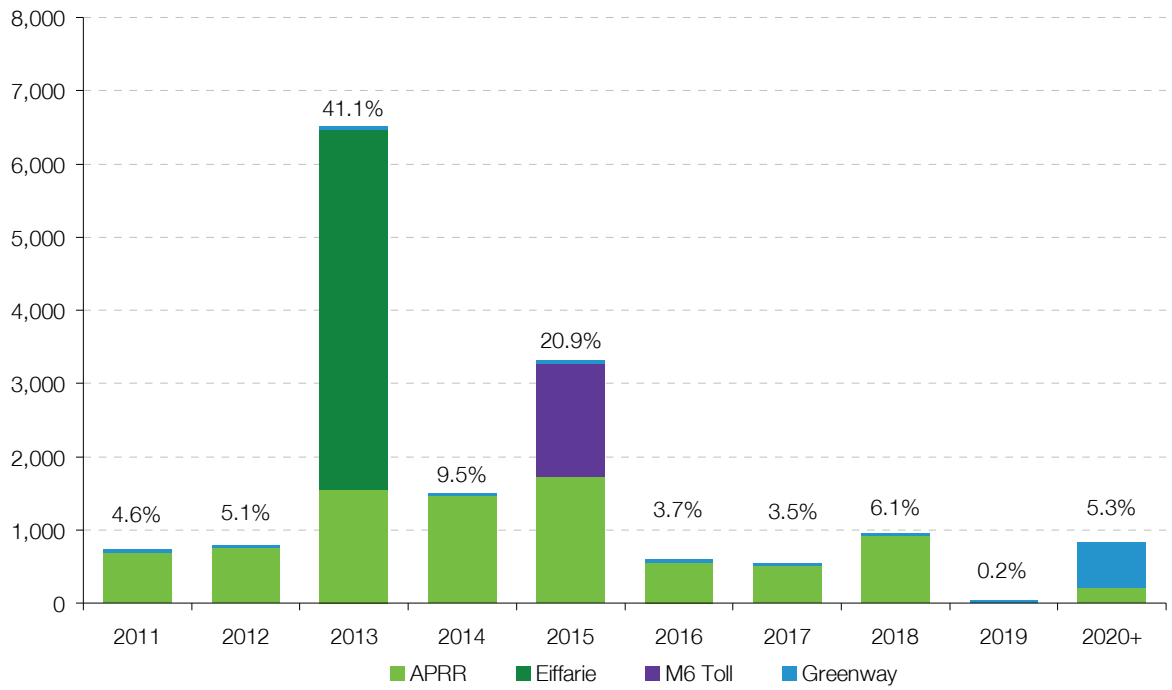
2.1.6 Asset net interest and tax expense

Underlying asset net interest expense decreased AUD9.7m (4.5%) 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 AUD24.3m (61.1%) compared to pcp due to the receipt by APRR of a one-off tax refund in the pcp and the impact of higher profits at APRR in the current period.

2.2 Debt profile – Core Assets

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



The above debt maturity profile reflects a 100% consolidation of the debt balances of the core road assets as at 31 December 2010 (excluding 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.

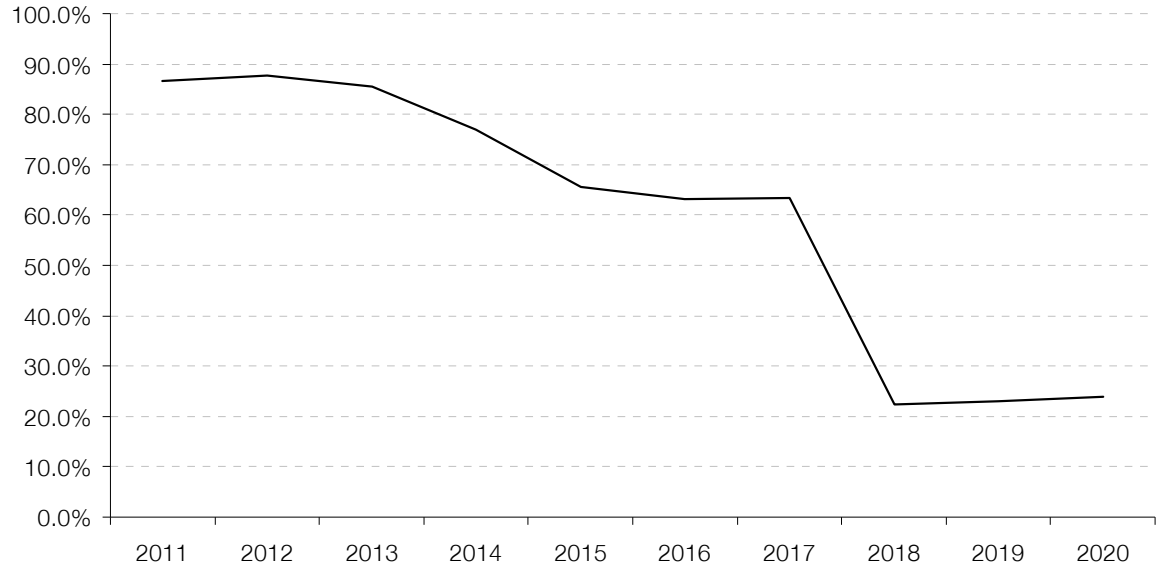
Average debt maturity at 31 December 2010 is 5.1 years (31 December 2009: 5.9 years).

Across the core assets in the portfolio, the cash interest cost in the year was equivalent to an annualised interest rate of 3.6%, this is primarily a consequence of the existence of interest rate swaps on the M6 Toll that have a low start accreting interest rate structure, as well as the tranches of zero coupon bonds issued at Dulles Greenway. Normalising for those instruments, the equivalent interest cost would have been an annualised interest rate of 5.3%.

Refer to Appendix 3 for a breakdown of the debt maturity profile by individual asset at 31 December 2010.

2.2.1 Hedging profile – core assets

Figure 6 – Debt hedging profile



The above hedging profile reflects the current coverage levels for each financial year for core road assets. 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 CPI related debt instruments that are also considered fixed for this purpose, given the coupons on these bonds are fixed.

2.2.2 Proportionate net debt – core assets

Table 4 – Proportionate net debt

	Actual as at 31 Dec 10 AUDm	Proforma as at 31 Dec 09 AUDm
Core road asset net debt	4,938.9	5,098.7

Proportionate net debt of the core assets decreased during the period as a result of increased cash balances at APRR and Dulles Greenway. The impact however, was partially offset by capital accretion on the Dulles Greenway bonds and an additional year's accrual (net of payments) in relation to the M6 Toll land fund. Repayment of the land fund liability commenced in 2010.

2.3 Proportionate Earnings – by Core Asset

Table 5 – Actual Proportionate Earnings split by asset for the 12 months ended 31 December 2010

	APRR[1] AUDm	Dulles AUDm	M6 Toll AUDm	Total Core assets AUDm
Operating revenue	553.3	35.5	105.5	694.3
Operating expenses	(176.5)	(9.6)	(12.9)	(199.0)
EBITDA from road assets	**376.8**	**25.9**	**92.6**	**495.3**
Asset maintenance capex	(25.0)	(0.7)	(4.7)	(30.4)
Asset net interest expense	(135.0)	(9.3)	(60.4)	(204.7)
Asset net tax expense	(64.1)	-	-	(64.1)
Proportionate Earnings from road assets	**152.7**	**15.9**	**27.5**	**196.1**

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

Table 6 – Proforma Proportionate Earnings split by asset for the 12 months ended 31 December 2009[1]

	APRR[2] AUDm	Dulles AUDm	M6 Toll AUDm	Total Core assets AUDm
Operating revenue	530.5	34.9	99.7	665.1
Operating expenses	(170.5)	(9.8)	(13.4)	(193.7)
EBITDA from road assets	**360.0**	**25.1**	**86.3**	**471.4**
Asset maintenance capex	(26.9)	(0.8)	(3.6)	(31.3)
Asset net interest expense	(149.2)	(8.6)	(56.6)	(214.4)
Asset net tax expense	(39.8)	-	-	(39.8)
Proportionate Earnings from road assets	**144.1**	**15.7**	**26.1**	**185.9**

1. Data for 31 December 2009 represents the results of MQA's portfolio of road assets for the 12 months ended 31 December 2009 adjusted for ownership interests and foreign exchange rates for the 12 months ended 31 December 2010.
2. APRR figures represent a consolidation of APRR, AREA and Eiffarie.

2.4 Autoroutes Paris Rhin-Rhône (APRR) – France

2.4.1 Financial performance

Figure 7 – APRR revenue (EURm), 12 months ended 31 December

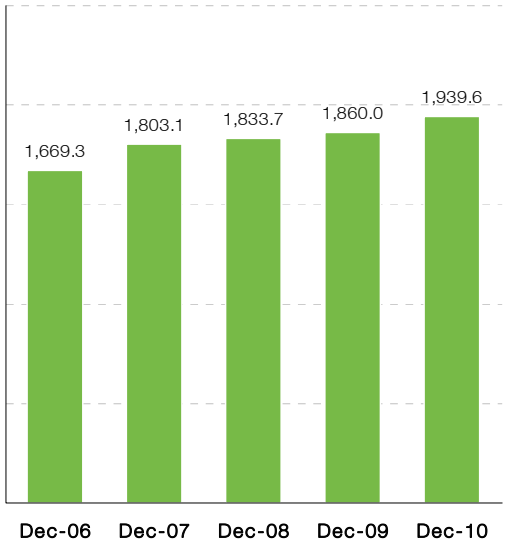
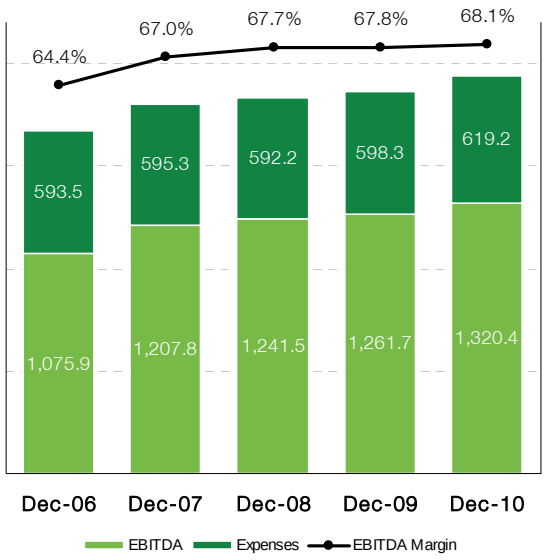


Figure 8 – APRR/Eiffarie EBITDA (EURm)[1], 12 months ended 31 December



1. The above results in Figure 8 include 100% of the results of APRR consolidated with Eiffarie. Eiffarie is the holding company for the consortium's interest in APRR. EBITDA of APRR on a standalone basis was EUR1,326.1m and operating expenses of Eiffarie were EUR5.7m for 2010. Eiffarie operating expenses includes advisory and transaction costs.

Consolidated revenues totalled EUR1,939.6m for the 12 months ended 31 December 2010, up 4.3% from EUR1,860.0m in the pcp. Toll revenues, which account for 97% of total revenues, increased by 4.3%.

Operating expenses rose by 3.5% from EUR598.3m in the 12 months to 31 December 2009 to EUR619.2m in the 12 months ended 31 December 2010. The increase was primarily driven by high winter maintenance costs due to the frequent snowfalls. There was also an increase in operational taxes charged by the French government due.

2.4.2 Operational initiatives

The number of active Liber-t badges managed by APRR/AREA increased by 21% in the last 12 months, with around 893,000 badges now in circulation.

Electronic Toll Collection (ETC) accounted for 44.6% of all transactions in the last 12 months compared with 42.5% in 2009. Automated transactions accounted for 77.5% of total transactions compared with 73.1% in 2009 and 121 out of the 145 toll plazas are now totally or partially automated.

2.4.3 Traffic

Table 7 – APRR traffic performance

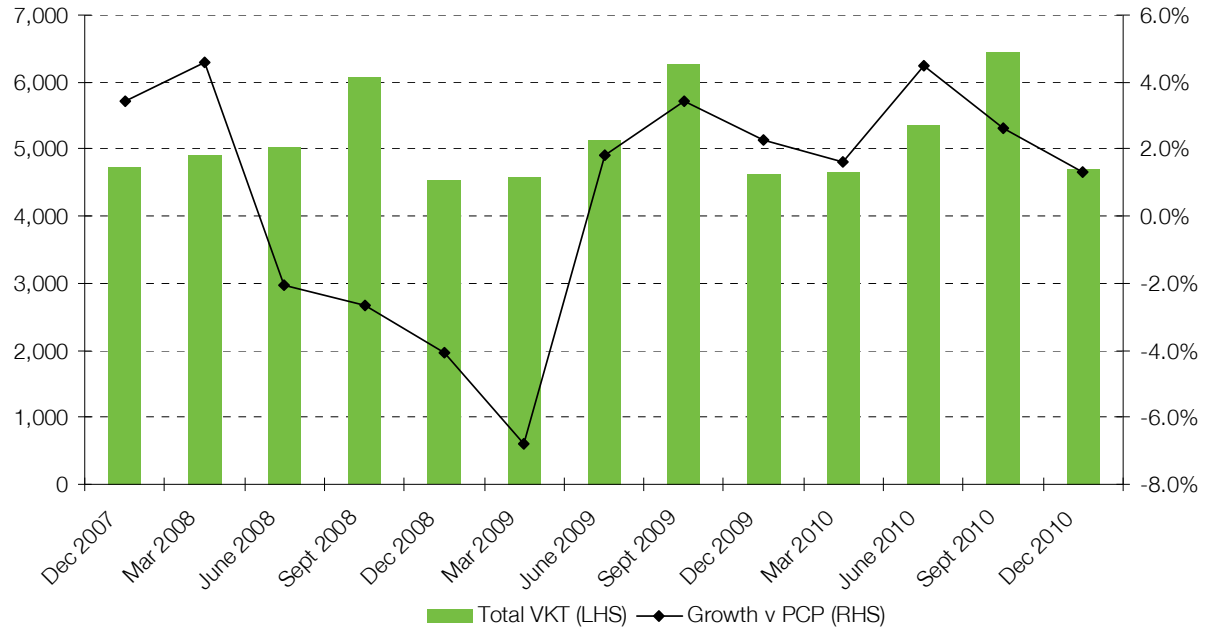
Category	Quarter to Date			Year to Date		
	Oct-Dec 2009	Oct-Dec 2010	Change vs. pcp	Jan-Dec 2009	Jan-Dec 2010	Change vs. pcp
Vehicle Kms travelled (millions)						
Light vehicles	3,866	**3,876**	0.3%	17,609	**17,953**	2.0%
Heavy vehicles	722	**822**	6.5%	3,019	**3,203**	6.1%
TOTAL	4,638	**4,698**	1.3%	20,628	**21,157**	2.6%
Workdays in period	64	**64**	+0	252	**254**	+2
Non workdays in period	28	**28**	+0	113	**111**	-2

In the 12 months to 31 December 2010, total traffic (VKT) increased by 2.6% on pcp, with growth in both light and heavy vehicles. Light vehicle traffic grew by 2.0% while heavy vehicle volumes grew by 6.1%.

Light vehicle traffic was disrupted by heavy snowfalls in January, February, late November and December 2010. Petrol shortages caused by strikes staged against the French pension reforms, which coincided with the autumn school holidays in France, also impacted traffic in the fourth quarter but to a lesser extent. Partially offsetting these events were the air travel disruptions caused by the volcanic eruption in Iceland and strikes on the intercity rail network which contributed to positive performance early in the second quarter.

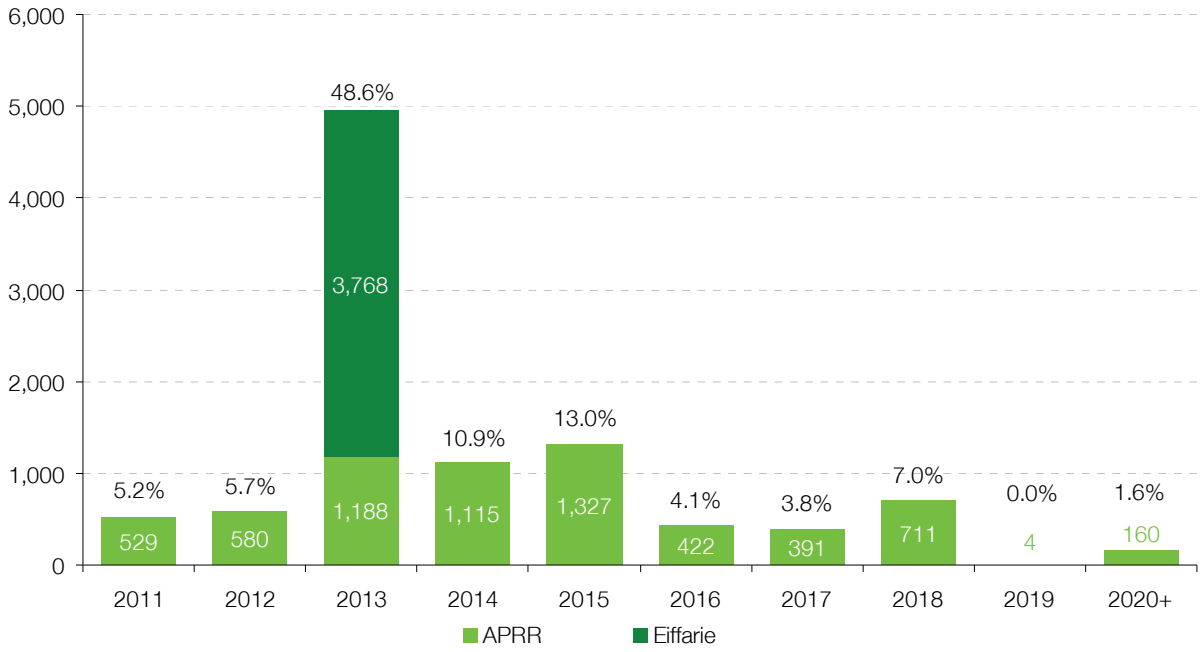
While the improvement in heavy vehicle traffic reflects the continued recovery of industrial production in France, volumes remain 10.3% below 2007 levels.

Figure 9 – APRR quarterly traffic performance (VKT)



2.4.4 Financing and Debt

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



APRR issued EUR1,000m of bonds in January 2011 under its Euro Medium Term Note program. The 5.0% 6-year bonds were issued at EUR99.484, representing a margin of 245bp over mid-rate swaps. This was also followed by a private placement of 10 year EUR50m index linked bonds with 3.3% fixed coupon in January 2011. These bonds are excluded from the chart above which reflects a 100% consolidation of debt balances as at 31 December 2010 (excluding future capitalised interest). 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.

2.5 Dulles Greenway – Virginia, US

2.5.1 Financial performance

Figure 11 – Dulles Greenway revenue (USDm), 12 months ended 31 December

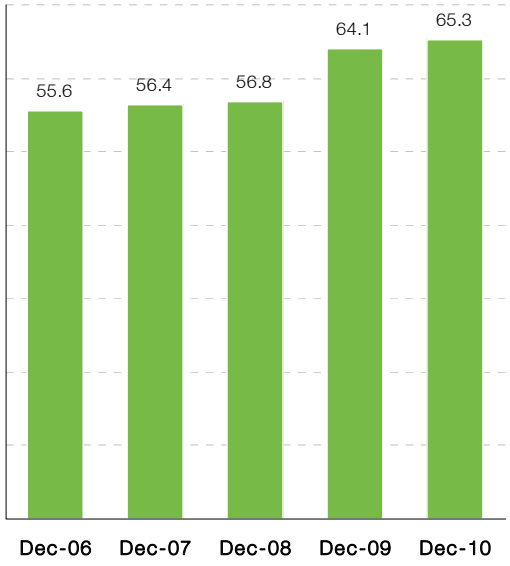
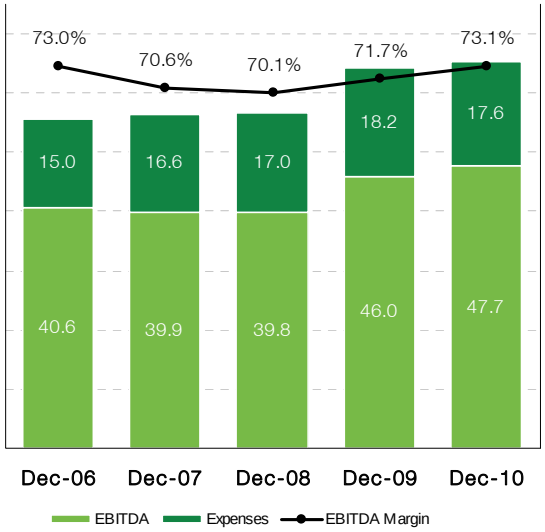


Figure 12 – Dulles Greenway EBITDA (USDm), 12 months ended 31 December



Revenue for the 12 months ended 31 December 2010 has increased 1.8% compared to pcp due to a toll increase implemented on the Greenway on 1 July 2010 partially offset by lower traffic levels. Traffic was mainly impacted by extreme weather conditions in February that resulted in 50 inches of accumulated snowfall and 13 weather affected days.

The concessionaire terminated the third party O&M service provider's contract in May 2010 and began self-performing operations on 6 May 2010. The initial operating efficiencies achieved resulted in a 3.3% decrease in operating expenses for the year despite increased snow removal expenses in February and self-performing operations for only eight months. EBITDA for the 12 months ended 31 December 2010 has increased by USD1.7m and EBITDA margin has improved by 1.4%.

2.5.2 Operational initiatives

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

- significant improvement in all maintenance and toll collection procedures;
- new procedures for reduction of unpaid tolls and toll violations; and
- upgrading toll equipment and modifying software for efficiency.

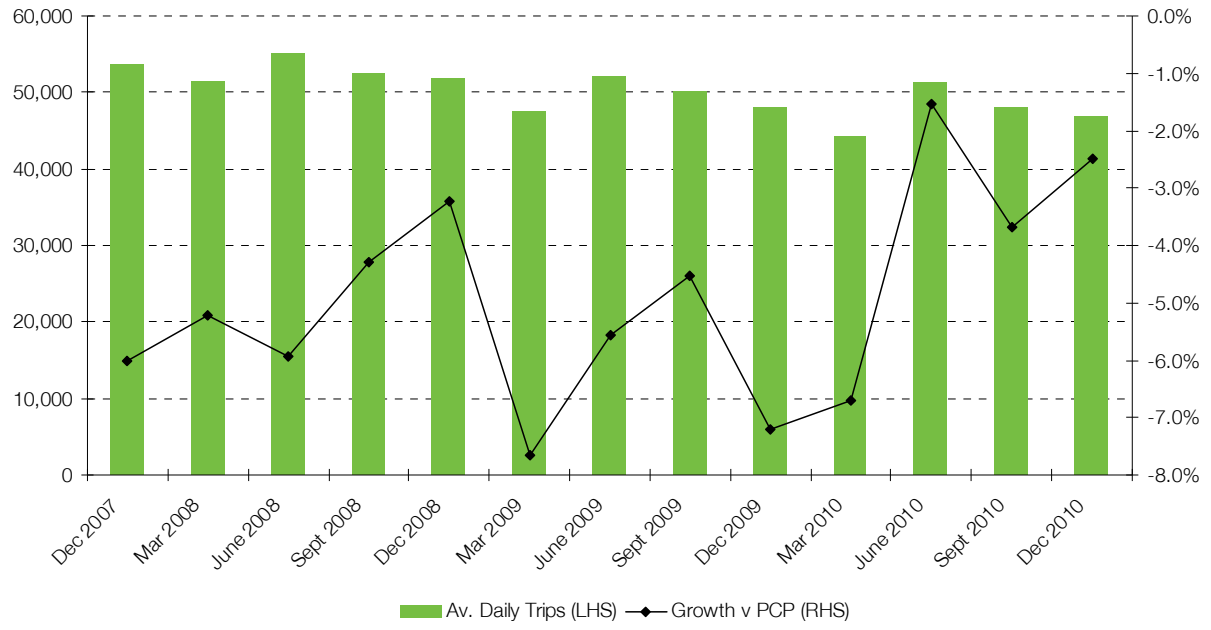
2.5.3 Traffic

Table 8 – Dulles Greenway traffic performance

	Quarter to Date			Year to Date		
Category	Oct-Dec 2009	Oct-Dec 2010	Change vs. pcp	Jan-Dec 2009	Jan-Dec 2010	Change vs. pcp
Average daily traffic						
Average workday trips	56,403	**54,588**	(3.2%)	57,492	**55,698**	(3.1%)
Weekends/public holidays	29,084	**30,176**	3.8%	31,395	**29,972**	(4.5%)
All days	48,089	**46,893**	(2.5%)	49,412	**47,663**	(3.5%)
Non-cash transactions	86.9%	**88.1%**	1.2%	86.4%	**87.8%**	1.4%
Workdays in period	64	**63**	-1	252	**251**	-1
Non workdays in period	28	**29**	+1	113	**114**	+1

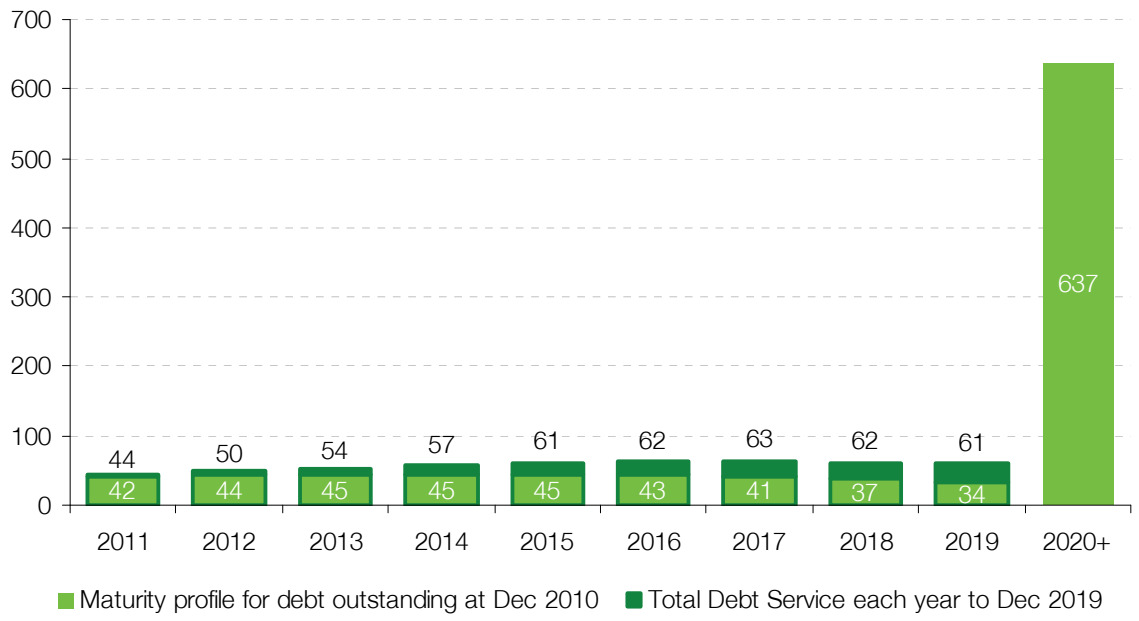
Average Daily Traffic (ADT) on the Dulles Greenway for the year has decreased 3.5% compared to pcp. This is due to extreme weather conditions in February and a toll increase implemented on the Greenway on 1 July 2010. Traffic volumes on the adjoining Dulles Toll Road (DTR) fell by 4.3% for the year. It is noted that tolls on the DTR increased on 1 January 2011 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)



The chart above presents the maturity profile for the debt oustanding at 31 December 2010 as well as total debt service to be paid in any given year to December 2019 (total debt service). All of Greenway's debt is in the form of fixed-interest rate senior bonds, with USD35.0m in the form of current interest bonds and USD978.8m in the form of zero-coupon bonds with various maturities extending to 2056.

There have been no major developments on the Dulles Greenway debt position in 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 USD175m of cash as at 31 December 2010. In 2010, the DSCR was 1.36x while the ADSCR was 1.34x. Refer to Appendix 6 for DSCR calculation methodology.

Dulles Greenway Distribution tests worked example:

	2010 Actual USD	2009 Actual USD
Toll Revenues	65,271,391	63,782,561
Operating Expenses	(17,912,275)	(18,165,281)
Net Toll Revenues (Minimum Coverage Ratio)	**47,359,116**	**45,617,280**
Improvement Fund Deposit	-	-
Increase Operating Reserve Fund	(685,082)	-
Net Toll Revenues (Additional Coverage Ratio)	**46,674,034**	**45,617,280**
1999A	2,493,750	2,493,750
1999B	25,100,000	23,500,000
2005A	7,200,000	7,800,000
2005B/2005C	-	-
Total Debt Service[1]	**34,793,750**	**33,793,750**
Minimum Coverage Ratio – 1.25x	**1.36x**	**1.35x**
Additional Coverage Ratio – 1.15x	**1.34x**	**1.35x**

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.

Ratings review

S&P continues to hold a BBB- underlying rating on TRIP II's 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 downgraded TRIP II's bonds from BBB to BBB- citing traffic declines in 2010. This brings the Fitch rating in line with S&P and Moody's. There are no adverse consequences for the asset from this downgrade as the current bond structure extends to the end of TRIP II's concession term and is not subject to refinancing risk.

2.6 M6 Toll – West Midlands, UK

2.6.1 Financial performance

Figure 15 – M6 Toll revenue (GBPm), 12 months ended 31 December

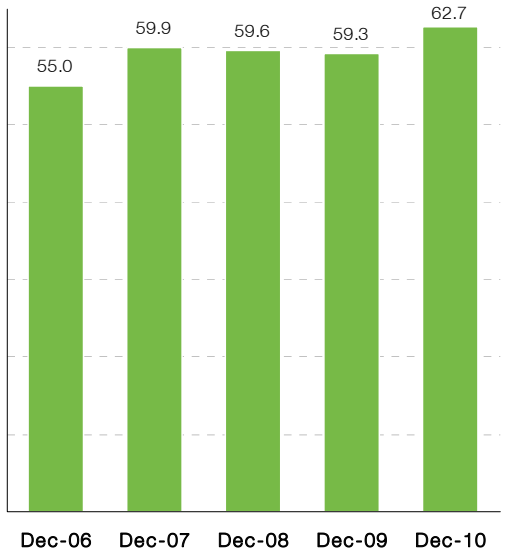
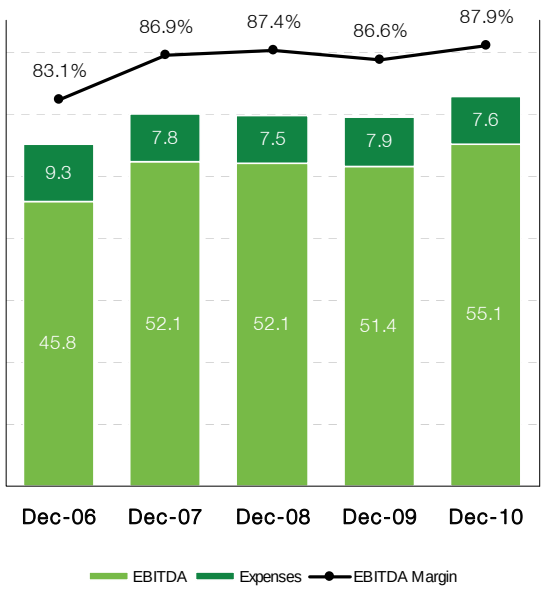


Figure 16 – M6 Toll EBITDA (GBPm), 12 months ended 31 December



Traffic levels were positive in the 12 months to 31 December 2010, despite inclement weather in January and December 2010, and a toll increase which was effective from 1 March 2010. Average daily traffic grew by 3.2% on pcp, with weekdays showing higher growth than weekend traffic. In addition to traffic growth, the toll increases also contributed to growth in toll revenues of 6.2% on pcp.

Toll increases effective 1 March 2010 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 2009 levels.

M6 Toll has announced a new toll schedule which will apply from 1 March 2011.

Operating costs were comparable with the prior period.

2.6.2 Operational initiatives

Overall tag usage in the 12 months to December 2010 was comparable to 2009, at 11.2% of total transactions. For the same period, non-cash transactions represented 60.4% of total transactions and non-attended transactions, including those using automated coin machines, accounted for 79.1% of total transactions.

During 2010 a number of initiatives were put into place to improve the already high level of service provided by the M6 Toll and to continue to attract road users, particularly heavy goods vehicles. As an example, the M6 Toll's systems were upgraded in 2010 to accept a number of fuel cards for toll payments. Card payments are faster than coins or manual payments for drivers, improving their ease of travel and are more cost effective to process by the M6 Toll.

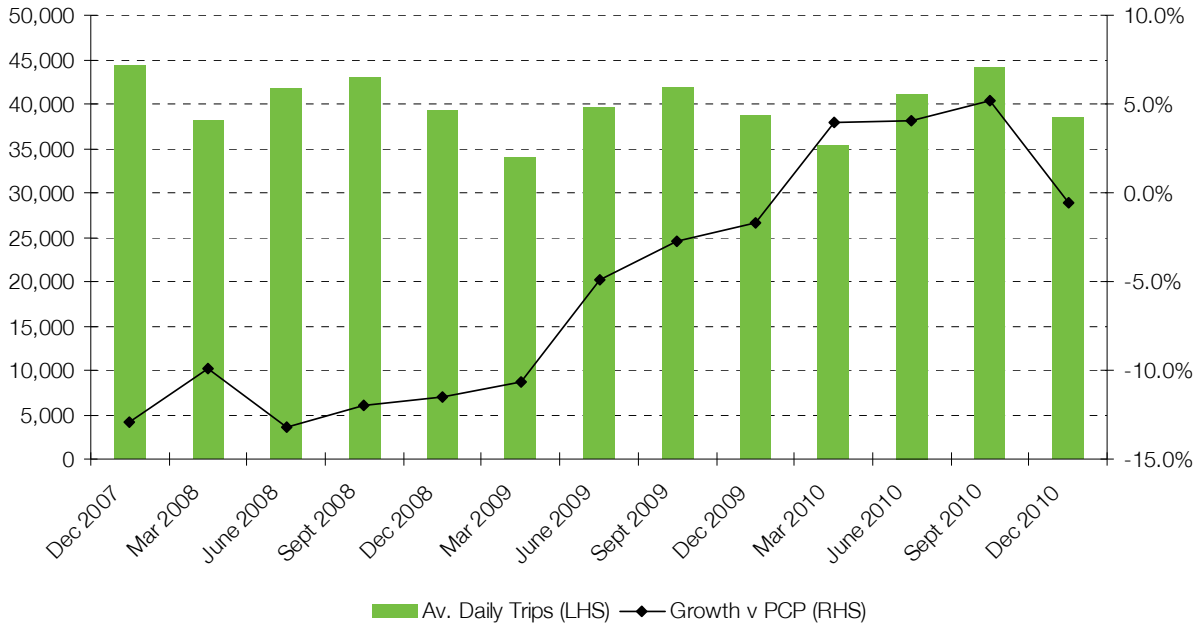
The company is now investigating the potential to accept contactless cards as a method of payment. This would further speed up the payment process thereby, increasing capacity and improving the experience for drivers, as well as reducing processing fees charged to the M6 Toll.

2.6.3 Traffic

Table 9 – M6 Toll traffic performance

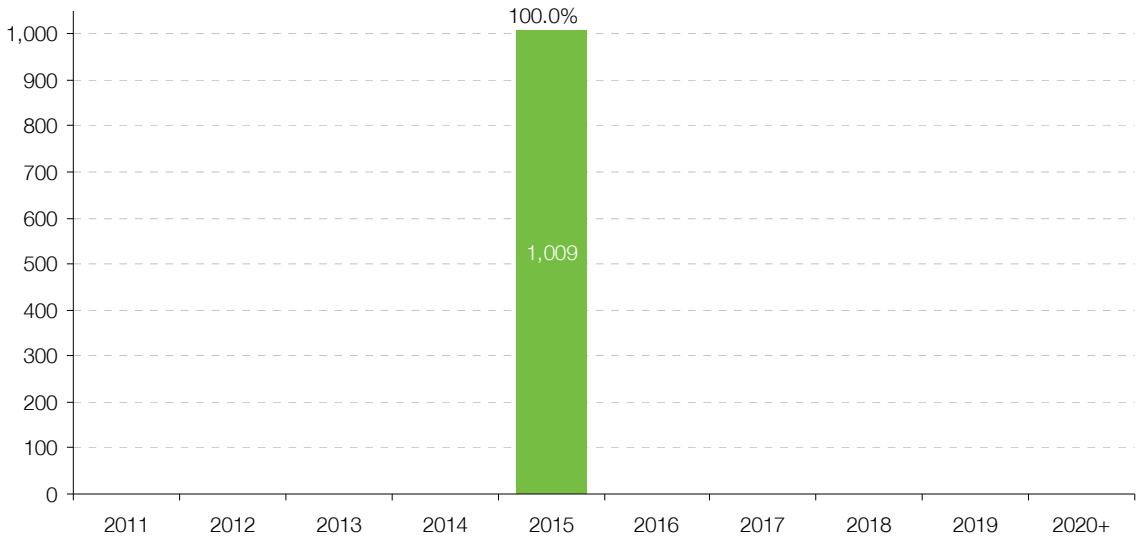
	Quarter to Date			Year to Date		
Category	Oct-Dec 2009	Oct-Dec 2010	Change vs. pcp	Jan-Dec 2009	Jan-Dec 2010	Change vs. pcp
Average daily traffic						
Average workday trips	42,921	**43,104**	0.4%	42,900	**44,409**	3.5%
Weekends/public holidays	28,745	**27,666**	(3.8%)	28,694	**29,326**	2.2%
All days	38,607	**38,405**	(0.5%)	38,541	**39,781**	3.2%
Non-cash transactions	57.9%	**62.8%**	4.9%	56.3%	**60.6%**	4.3%
Workdays in period	64	**64**	+0	253	**253**	+0
Non workdays in period	28	**28**	+0	112	**112**	+0

Figure 17 – M6 Toll quarterly traffic performance



2.6.4 Financing and debt

Figure 18 – M6 Toll debt maturity profile (GBPm)



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.

This page has been left blank intentionally

Financial Performance - Non-Core Assets

3 FINANCIAL PERFORMANCE – NON-CORE ASSETS

MQA's non-core assets represent a small proportion of MQA's portfolio and comprise Chicago Skyway, Indiana Toll Road (ITR) and Warnow Tunnel.

Prior corresponding period results presented in this section of the Report are prepared on a proforma basis unless otherwise stated. Sections 3.4 and 3.5 are reported on a 100% asset basis and in the natural currency of the asset. A detailed asset section is not provided for Warnow Tunnel.

3.1 Proportionate Earnings – Non-Core Assets

Table 10 – Proportionate Earnings for 12 months ended 31 December 2010

	Actual Results 12 months to 31 Dec 10 AUDm	Proforma Results 12 months to 31 Dec 09 AUDm	Change vs. pcp
Operating revenue	**70.0**	66.1	5.9%
Operating expenses	**(14.4)**	(14.9)	(3.4%)
EBITDA from road assets	**55.6**	51.2	8.6%
Asset maintenance capex	**(6.5)**	(6.0)	8.3%
Asset net interest expense	**(56.9)**	(55.7)	2.2%
Asset net tax expense	**-**	-	-
Proportionate Earnings from road assets	**(7.8)**	(10.5)	(25.7%)

Further details on the preparation of this section of the Report are set out in the Summary of significant policies (Section 5).

3.1.1 Summary

Underlying proportionately consolidated revenue and EBITDA from non-core road assets increased 5.9% and 8.6% respectively for the 12 months ended 31 December 2010 (YTD).

The underlying operating revenue increased for both ITR and Warnow Tunnel reflecting the improving traffic trends and the positive impact of the changes to tolling schedules implemented during 2010 on the ITR. This was partially offset by traffic and revenue declines experienced by Chicago Skyway following adverse road network impacts in the Skyway corridor.

EBITDA growth of 8.6% was driven by the improved underlying revenue as well as a reduction in operating costs for Skyway and the ITR as a result of savings in personnel expenses and third party services.

Figure 19 – Proforma proportionate revenue from non-core road assets (AUDm), 12 months ended 31 December

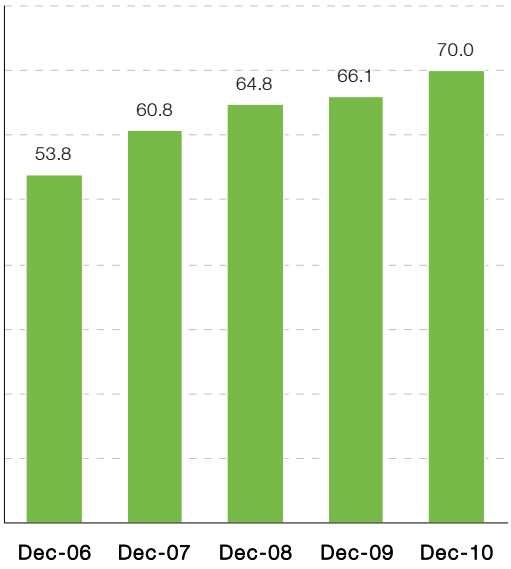
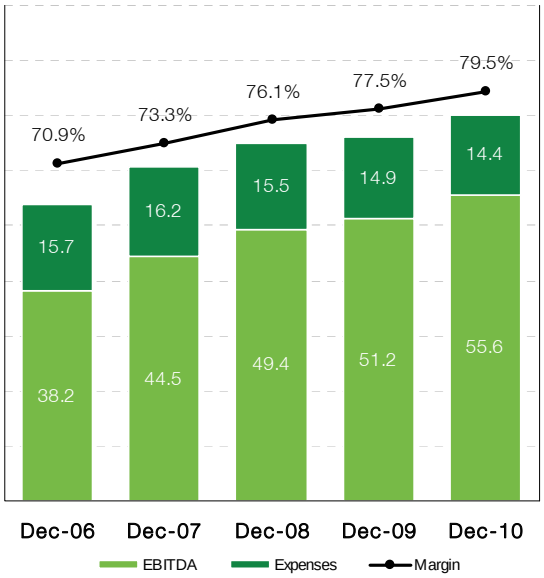


Figure 20 – Proforma proportionate EBITDA from non-core road assets (AUDm), 12 months ended 31 December



3.1.2 Operating revenue

Underlying operating revenue increased AUD3.9m (5.9%) YTD compared to proforma pcp. This increase in revenue is attributable primarily to the implementation of toll increases and improved traffic trends on the ITR. Revenue also increased on Warnow Tunnel due to construction works on a competing road.

3.1.3 Operating expenses

Underlying operating expenses decreased by 3.4% down to AUD14.4m driven by reductions on all three roads. ITR was the main driver due to savings in personnel expenses and third party services.

3.1.4 EBITDA from road assets

Underlying EBITDA from road assets increased 8.6% to AUD55.6m for the YTD. Underlying road assets EBITDA margin increased from 77.5% to 79.5%.

Improvements already noted in operating revenue were enhanced by decreased operating expenses on all three roads.

3.1.5 Asset maintenance capex

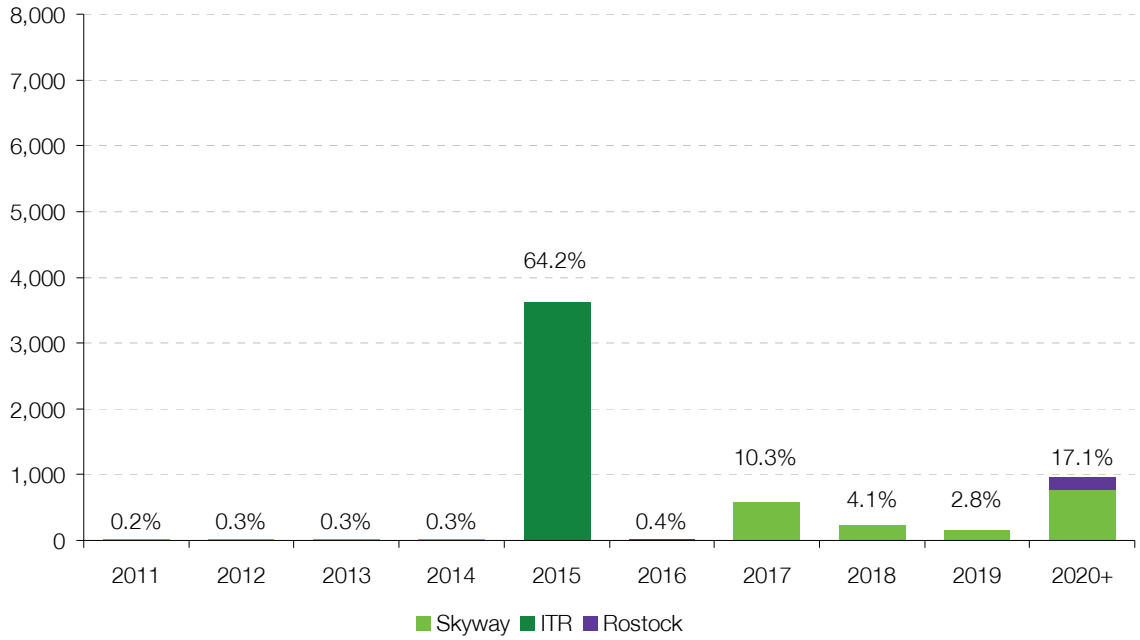
Underlying asset maintenance capex increased 8.3% for the YTD. The basis of calculation of maintenance capex is outlined in the Summary of significant policies (Section 5.1) of this Report.

3.1.6 Asset net interest and tax expense

Underlying asset net interest expense increased AUD1.2m (2.2%) for the YTD. Interest income has also fallen due to lower interest rates on cash balances. There is no net tax expense for non-core assets.

3.2 Debt profile – Non-Core Assets

Figure 21 – Debt maturity profile (100% debt at each asset) (AUDm)



The above debt maturity profile reflects a 100% consolidation of the debt balances of the non-core road assets as at 31 December 2010 (excluding 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.

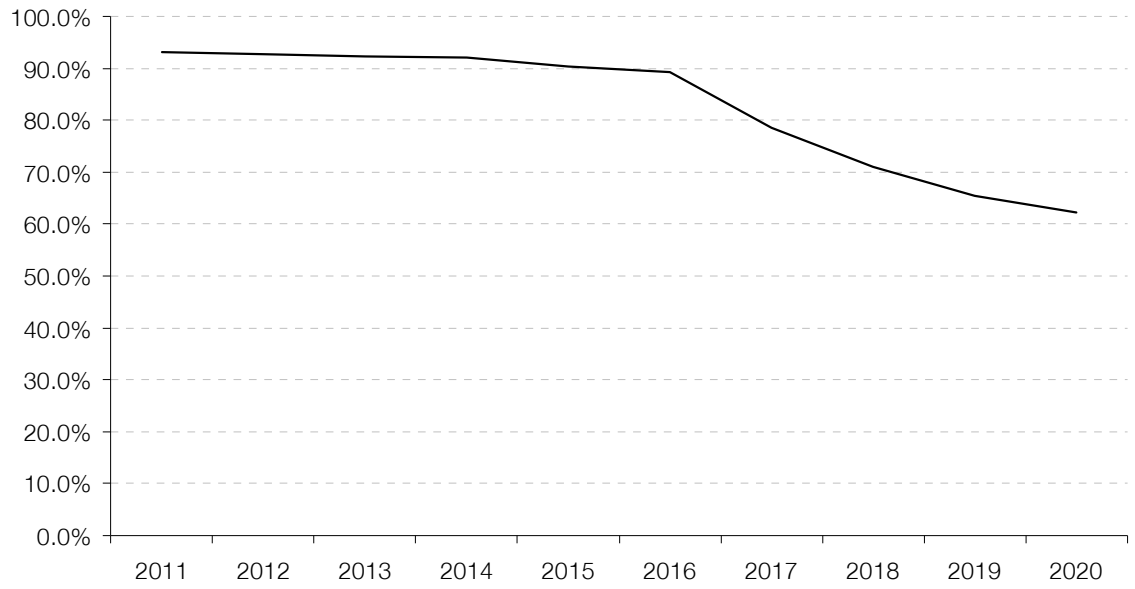
Average debt maturity at 31 December 2010 is 8.1 years (31 December 2009: 9.1 years).

Across the non-core assets in the portfolio, the cash interest cost in the year was equivalent to an annualised interest rate of 3.4%. This is primarily a consequence of the existence of interest rate swaps on the Indiana Toll Road that have a low start accreting interest rate structure, as well as the tranches of capital accreting bonds issued at Chicago Skyway. Normalising for those instruments, the equivalent interest cost would have been an annualised interest rate of 5.1%.

Refer to Appendix 3 for a breakdown of the debt maturity profile by individual asset at 31 December 2010.

3.2.1 Hedging profile – non-core assets

Figure 22 – Debt hedging profile



The above hedging profile reflects the current coverage levels for each financial year for non-core assets. 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.

3.2.2 Proportionate net debt – non-core assets

Table 11 – Proportionate net debt

	Actual as at 31 Dec 10 AUDm	Proforma as at 31 Dec 09 AUDm
Non-core road assets net debt	1,527.3	1,473.9

Proportionate net debt of the non-core assets has increased due to interest accretion on the Chicago Skyway capital accretion bonds and drawdowns on the liquidity and capex facilities at Indiana Toll Road.

3.3 Proportionate Earnings – by Non-Core Asset

Table 12 – Actual Proportionate Earnings split by asset for the 12 months ended 31 December 2010

	Chicago Skyway AUDm	ITR AUDm	Warnow AUDm	Total Non-core assets AUDm
Operating revenue	14.6	47.3	8.1	70.0
Operating expenses	(2.2)	(9.5)	(2.7)	(14.4)
EBITDA from road assets	**12.4**	**37.8**	**5.4**	**55.6**
Asset maintenance capex	(1.3)	(4.6)	(0.6)	(6.5)
Asset net interest expense	(10.7)	(42.4)	(3.8)	(56.9)
Asset net tax expense	-	-	-	-
Proportionate Earnings from road assets	**0.4**	**(9.2)**	**1.0**	**(7.8)**

Table 13 – Proforma Proportionate Earnings split by asset for the 12 months ended 31 December 2009[1]

	Chicago Skyway AUDm	ITR AUDm	Warnow AUDm	Total Non-core assets AUDm
Operating revenue	15.6	43.3	7.2	66.1
Operating expenses	(2.4)	(9.7)	(2.8)	(14.9)
EBITDA from road assets	**13.2**	**33.6**	**4.4**	**51.2**
Asset maintenance capex	(0.9)	(4.6)	(0.5)	(6.0)
Asset net interest expense	(10.9)	(40.6)	(4.2)	(55.7)
Asset net tax expense	-	-	-	-
Proportionate Earnings from road assets	**1.4**	**(11.6)**	**(0.3)**	**(10.5)**

1. Data for 31 December 2009 represents the results of MQA's portfolio of road assets for the 12 months ended 31 December 2009 adjusted for foreign exchange rates for the 12 months ended 31 December 2010.

3.4 Chicago Skyway – Chicago, US

3.4.1 Financial performance

Figure 23 – Chicago Skyway revenue (USDm), 12 months ended 31 December

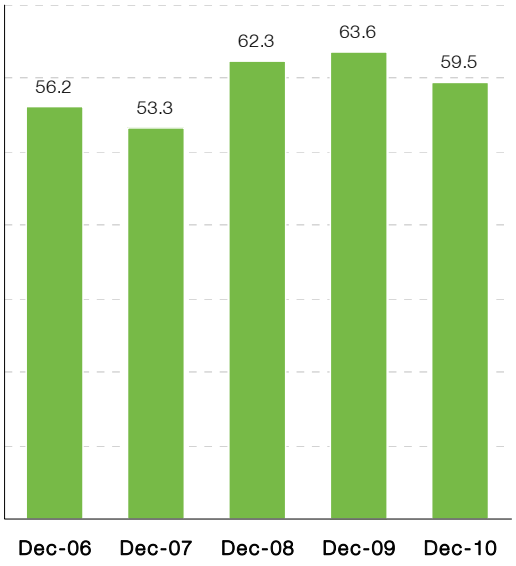
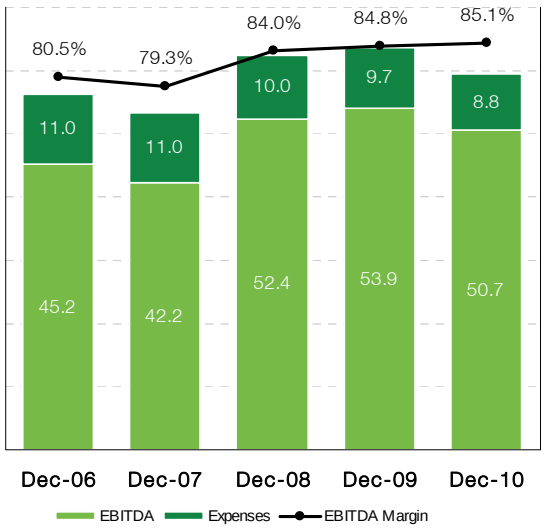


Figure 24 – Chicago Skyway EBITDA (USDm), 12 months ended 31 December



Revenue for the 12 months ended 31 December 2010 decreased 6.4% compared to pcp to USD59.5m due to traffic declines as a result of continuing weak economic conditions, improvements to competing road networks and ongoing construction on the connecting ITR barrier system.

Operating expenses for the period decreased 9.3%, increasing EBITDA margin by 0.3% and partially offsetting the decline in revenue. EBITDA of USD50.7m is down 5.9%.

Chicago Skyway increased tolls on 1 January 2011 from USD3.00 to USD3.50 for light vehicles and USD1.80 per axle to USD2.40 per axle for heavy vehicles. Skyway has a set tolling schedule in place until 2017, with tolls post 2017 permitted to increase annually by the greater of CPI, nominal GDP per capita or 2%.

3.4.2 Operational initiatives

Management continues to promote ETC transponder use. ETC usage was at 57.6% for 2010 compared to 56.1% in 2009. ETC penetration improves customer retention, payment reliability and reduces overall operating costs.

Skyway upgraded its radio system in 2010 and is in the midst of a series of initiatives including installation of new cameras at the toll plaza and coordinating PCI compliance efforts. The upgrades will enhance the operating performance of the Skyway.

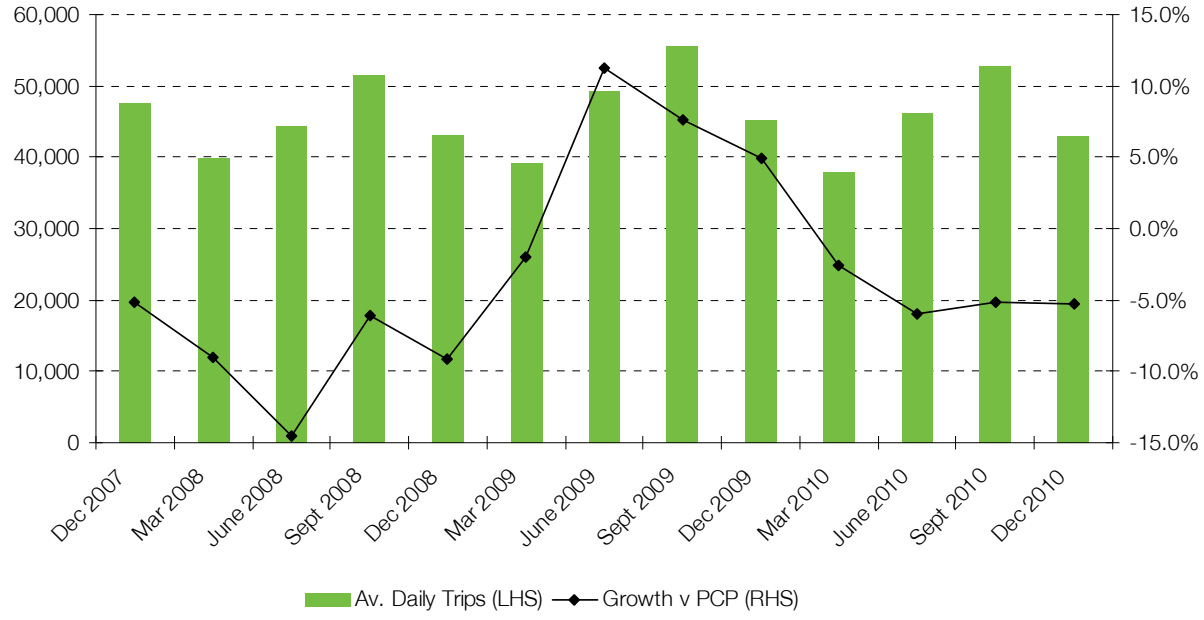
3.4.3 Traffic

Table 14 – Chicago Skyway traffic performance

Category	Quarter to Date			Year to Date		
	Oct-Dec 2009	Oct-Dec 2010	Change vs. pcp	Jan-Dec 2009	Jan-Dec 2010	Change vs. pcp
Average daily traffic						
Average workday trips	44,556	**42,205**	(5.3%)	46,311	**43,476**	(6.1%)
Weekends/public holidays	47,009	**44,376**	(5.6%)	49,493	**48,312**	(2.4%)
All days	45,303	**42,889**	(5.3%)	47,296	**44,987**	(4.9%)
Non-cash transactions	57.8%	**58.8%**	1.0%	56.1%	**57.6%**	1.4%
Workdays in period	64	**63**	-1	252	**251**	-1
Non workdays in period	28	**29**	+1	113	**114**	+1

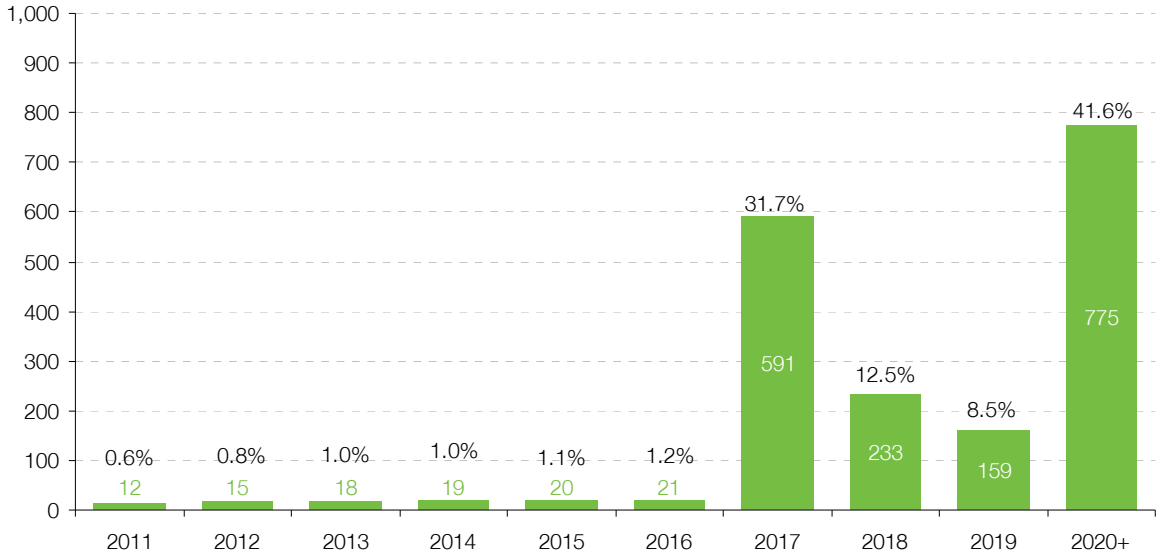
Average daily traffic for the year was 4.9% below pcp. Traffic in the prior corresponding period was positively impacted by construction on the major competing route to the Skyway. This benefit has diminished with the completion of the works on the Bishop Ford Expressway (I-94) and less disruptive construction on the Borman Expressway (I-80), which is expected to be completed by the middle of 2011. Traffic has also been negatively impacted by ongoing construction on the adjoining ITR barrier system.

Figure 25 – Chicago Skyway quarterly traffic performance



3.4.4 Financing and debt

Figure 26 – Chicago Skyway debt maturity profile (USDm)



The chart above presents the maturity profile for all Skyway debt outstanding as at 31 December 2010. Skyway had USD1.9bn of senior debt outstanding as at 31 December 2010 with USD1.3bn in the form of Capital Accretion Bonds and USD439.0m Current Interest Bonds as well as USD157.5m in subordinated debt.

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. SCC did not meet its equity distribution test in December 2010 and will be in distribution lock-up for at least 12 months.

3.5 Indiana Toll Road (ITR) – Indiana, US

3.5.1 Financial performance

Figure 27 – ITR revenue (USDm), 12 months ended 31 December

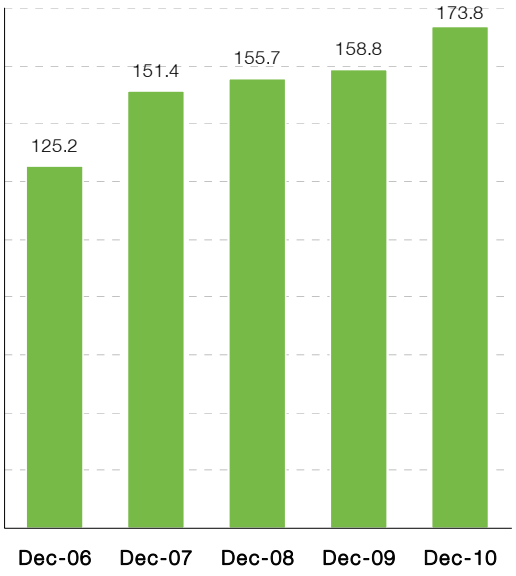
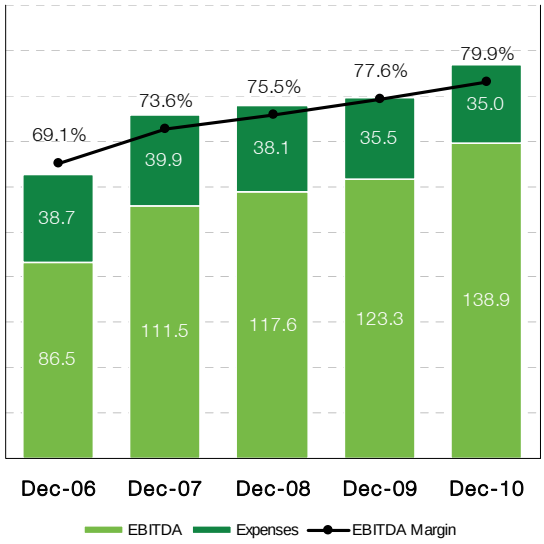


Figure 28 – ITR EBITDA (USDm), 12 months ended 31 December



Revenue for 2010 increased by USD15.0m (or 9.4%) to USD173.8m, relative to pcp, driven by the heavy vehicle toll increases implemented in April 2009 and a toll increase for all vehicles implemented in July 2010. In addition, ticket system traffic has performed 2.7% better than pcp with heavy vehicle traffic on the ticket system performing 3.5% above pcp.

Operating expenses for the period were 1.4% lower than pcp as a result of savings in personnel expenses and third party services.

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.

3.5.2 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 65.4% of total barrier transactions in 2010. On the ticket system, ETC usage was at 62.3% of total ticket transactions.

ITR's Customer Care Centre has issued over 40,000 i-Zoom transponders during the year. At 31 December 2010, ITR had issued over 135,000 transponders.

Progress on the Mandatory Expansion Works continues and construction is expected to be completed in 2011. Construction is currently 86.0% complete and all environmental permits have been obtained.

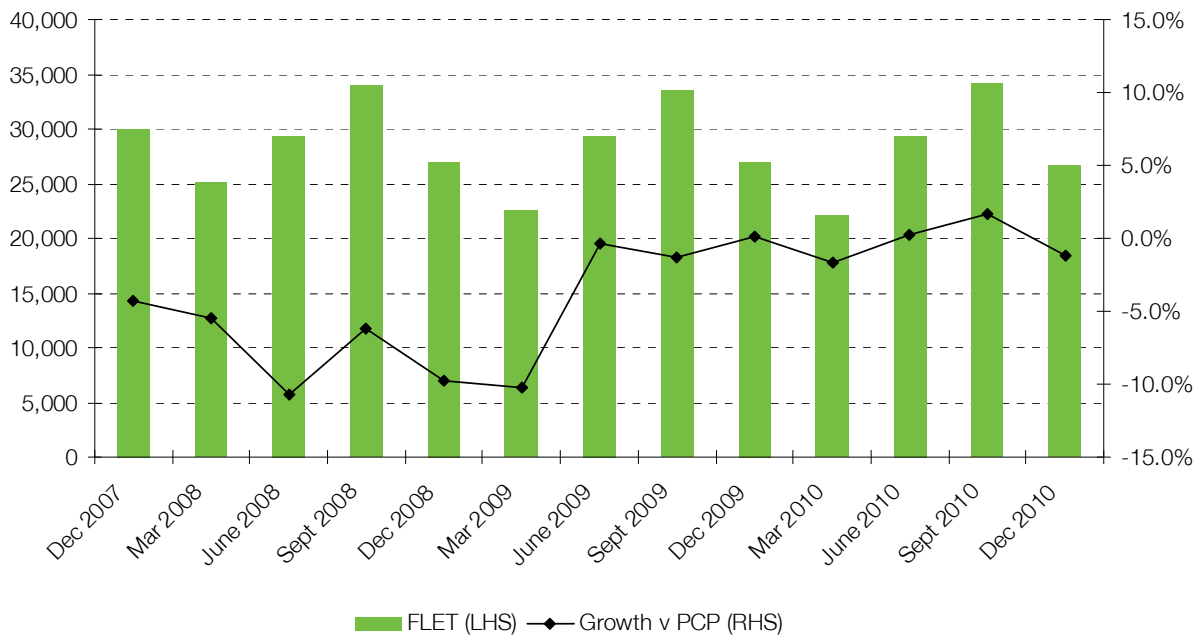
3.5.3 Traffic

Table 15 – ITR traffic performance

Category	Quarter to Date			Year to Date		
	Oct-Dec 2009	Oct-Dec 2010	Change vs. pcp	Jan-Dec 2009	Jan-Dec 2010	Change vs. pcp
Average daily traffic						
Ticket (FLET)	22,620	**22,902**	1.2%	23,414	**24,041**	2.7%
Barrier (FLET)	51,462	**47,750**	(7.2%)	54,201	**50,573**	(6.7%)
Non-cash – ticket (ADT)	60.0%	**65.1%**	5.1%	56.8%	**62.3%**	5.4%
Non- cash – barrier (transactions)	63.6%	**67.4%**	3.8%	61.5%	**65.4%**	3.9%
Workdays in period	64	**63**	-1	252	**251**	-1
Non workdays in period	28	**29**	+1	113	**114**	+1

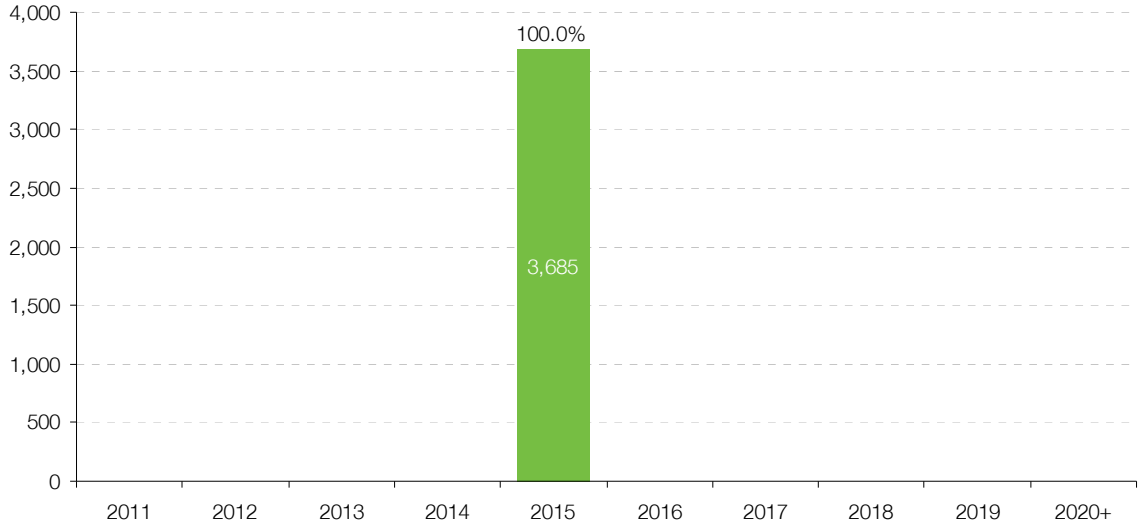
Average daily traffic on the ITR for the year, measured in full length equivalent trips (FLET), has increased 2.7% on the ticket system but decreased 6.7% on the barrier system compared to pcp. Barrier system traffic has been negatively impacted by reduced construction disruption on the alternate routes and mandatory expansion construction work on the toll road itself.

Figure 29 – Indiana Toll Road quarterly traffic performance (total trips)



3.5.4 Financing and debt

Figure 30 – Indiana Toll Road debt maturity profile (USDm)



The chart above presents the maturity profile for all ITR debt outstanding as at 31 December 2010. ITR also has an interest rate step-up swap in place that matures in 2026. There were no major developments on the debt position of ITR during the year.

Fund Performance

4 FUND PERFORMANCE

4.1 Proportionate Earnings – Fund

Table 16 – Proportionate Earnings for period ended 31 December 2010 – Fund

	Actual Results 2 Feb to 31 Dec 10 AUDm
Operating revenue	709.1
Operating expenses	(195.7)
EBITDA from road assets	**513.4**
Asset maintenance capex	(34.1)
Asset net interest expense	(235.6)
Asset net tax expense	(58.7)
Proportionate Earnings from road assets	**185.0**
Corporate net interest income	3.7
Corporate net expenses	(20.1)
Proportionate Earnings	**168.6**
Asset net debt amortisation	(77.0)
Proportionate Earnings less allowance for net debt amortisation	**91.6**

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

Analysis of the performance of the roads assets is detailed in Sections 1 to 3 of this report. These sections present road asset results for the 12 months ended 31 December 2010.

4.1.1 Corporate net interest income and expenses

Corporate net interest income was AUD3.7m. The average cash balance during the period was AUD107.3m. The cash balance at 31 December 2010 was AUD23.1m, 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 4.3 Cash flow and cash position.

Corporate net expenses totalled AUD20.1m which was mainly attributable to base management fees (AUD10.4m), performance fees paid (AUD4.2m) and advisory fees payable in relation to the acquisition of the additional interest in APRR (EUR1.5m).

4.1.2 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 5.1) of this Report.

4.2 Proportionate Earnings per security

Table 17 – Proportionate Earnings per security – Fund

	Actual Results 2 Feb to 31 Dec 10
Weighted average MQA securities on issue	452,345,907
EBITDA per security from road assets (cents)	113.5
Proportionate Earnings per security from road assets (cents)	40.9
Proportionate Earnings per security (cents)	37.3

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.

4.3 Cash flow and cash position

Table 18 – Aggregated Cash Flow Statement

	2 Feb to 31 Dec 10 AUDm
Cash flow received from assets	
M6 Toll	25.7
Chicago Skyway	0.3
Total cash flow received from assets	**26.0**
Other operating cash flows	
Interest received on corporate cash balances	3.8
Other amounts received	6.4
Payments to suppliers and employees	(3.1)
Manager and Advisor base fees paid	(7.1)
Manager and Advisor performance fees paid	(4.2)
Income taxes paid	-
Net MQA operating cash flows	**21.8**
Investing and financing cash flows	
Payments for purchase of investments (including transaction costs)	(219.2)
Loans repaid by/(advanced to) investments and controlled entities	(0.2)
Distributions paid	-
Total investing and financing cash flows	**(219.4)**
Net decrease in cash assets	**(197.6)**
Cash assets at beginning of period	228.1
Exchange rate movements	(7.4)
Cash assets at the end of the period	**23.1**

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.

4.4 Proforma Cash Position

Table 19 MQA Proforma cash position

	AUDm
Cash balance as at 31 December 2010	**23.1**
Add: M6 Toll distribution	13.8
Less: December quarter 2010 management fee	(3.4)
Less: Interest income net of payments to suppliers	(0.1)
Proforma cash at 25 February 2011	33.4

Since 31 December 2010, the proforma cash position has increased from AUD23.1m to AUD33.4m, the primary driver being the receipt of a distribution from the M6 Toll in February 2011.

Summary of Significant Policies

5 SUMMARY OF SIGNIFICANT POLICIES

The significant policies which have been adopted by the boards of MARL and MARIL, and used in the preparation of Sections 1, 2, 3 and 4 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 2, 3 and 4 of the Report: Proportionate Earnings (Tables 3, 5, 6, 10, 12, 13, 16 and 17), Proportionate Net Debt (Tables 4 and 11) and Aggregated Cash Flow Statement (Table 18) 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.

5.1 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 Sections 1, 2 and 3 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 47 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.

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 31 December 2010 are as set out below. Beneficial Ownership Interests applied for presentation of the 12 months road asset results to 31 December are also detailed.

	Beneficial Ownership Interest for:	
Road asset	12 months to 31 Dec 10 %	2 Feb to 31 Dec 10 YTD %
APRR[1]	19.8	19.7
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.
2. Reflects estimated economic interest.

Transtoll was placed into voluntary liquidation on 16 December 2010. The results of Transtoll are excluded from this report.

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.

5.2 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.

5.3 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.

Appendices

APPENDIX 1 – MACROECONOMIC INDICATORS

Table 20 – Spot foreign exchange rates

	31 December 10
Euro	0.7662
Pound Sterling	0.6569
United States Dollar	1.0226

The spot exchange rates in this table are the exchange rates that have been applied to the translation of proportionate net debt as at 31 December 2010.

Table 21 – Average foreign exchange rates

	Quarter ended 31 Mar 10	Quarter ended 30 Jun 10	Quarter ended 30 Sep 10	Quarter ended 31 Dec 10
Euro	0.6536	0.6938	0.7002	0.7282
Pound Sterling	0.5798	0.5913	0.5836	0.6259
United States Dollar	0.9044	0.8815	0.9048	0.9887

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 12 months ended 31 December 2010.

APPENDIX 2 – TRAFFIC PERFORMANCE

Table 22 – Traffic performance vs pcp

	Quarter ('000)			Year to date ('000)		
Asset	3 months 31 Dec 09	3 months 31 Dec 10	Change vs. pcp	12 months 31 Dec 09	12 months 31Dec 10	Change vs. pcp
APRR (Group)						
Toll Revenue (EURm)	420	435	3.4%	1,804	1,882	4.3%
Light Vehicle VKT (millions)	3,866	3,876	0.3%	17,609	17,953	2.0%
Heavy Vehicle VKT (millions)	772	822	6.5%	3,019	3,203	6.1%
Total VKT (millions)	4,638	4,698	1.3%	20,628	21,157	2.6%
Dulles Greenway						
Av Daily Rev (USD)	170,049	183,348	7.8%	174,747	177,949	1.8%
Av Workday Traffic	56,403	54,588	(3.2%)	57,492	55,698	(3.1%)
Av Non-workday Traffic	29,084	30,176	3.8%	31,395	29,972	(4.5%)
Av All day Traffic	48,089	46,893	(2.5%)	49,412	47,663	(3.5%)
M6 Toll						
Av Daily Rev (GBP)	161,352	166,814	3.4%	160,849	170,863	6.2%
Av Workday Traffic	42,921	43,104	0.4%	42,900	44,409	3.5%
Av Non-workday Traffic	28,745	27,666	(3.8%)	28,694	29,326	2.2%
Av All day Traffic	38,607	38,405	(0.5%)	38,541	39,781	3.2%
Chicago Skyway						
Av Daily Rev (USD)	165,956	154,748	(6.8%)	174,225	162,285	(6.9%)
Av Workday Traffic	44,556	42,205	(5.3%)	46,311	43,476	(6.1%)
Av Non-workday Traffic	47,009	44,376	(5.6%)	49,493	48,312	(2.4%)
Av All day Traffic	45,303	42,889	(5.3%)	47,296	44,987	(4.9%)
Indiana Toll Road						
Av Daily Rev (USD)	405,118	461,084	13.8%	409,982	448,824	9.5%
All Days – Ticket FLET	22,620	22,902	1.2%	23,414	24,041	2.7%
All Days – Barrier FLET	51,462	47,750	(7.2%)	54,201	50,573	(6.7%)
Warnow Tunnel						
Av All day Traffic	9,617	10,890	13.2%	10,264	11,167	8.8%

APPENDIX 3 – DEBT MATURITY PROFILE OF ASSETS

Table 23 – Debt Maturity Profile of Assets[1]

		Financial Year									
Assets	Currency	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20+
APRR/Eiffarie	EURm	529.3	579.8	4,956.4	1,115.3	1,326.8	422.1	391.0	711.0	4.2	159.8
Dulles Greenway	USDm	41.6	44.4	44.7	45.0	45.3	43.1	40.7	37.3	34.2	637.5
M6 Toll	GBPm	-	-	-	-	1,008.9	-	-	-	-	-
Chicago Skyway	USDm	11.7	15.0	18.1	19.1	19.6	21.5	591.0	233.3	159.1	775.1
ITR	USDm	-	-	-	-	3,685.4	-	-	-	-	-
Warnow Tunnel	EURm	0.3	0.4	0.4	0.2	0.8	1.5	1.7	2.0	2.3	156.6

1. The above debt maturity profile reflects a 100% consolidation of the debt balances of road assets as at 31 December 2010 (excluding future capitalised interest or embedded bond accretion).

APPENDIX 4 – DEBT RATINGS OF ASSETS

Table 24 – Debt Ratings of Assets

Asset	Rating	Rating Agency	Rating date
APRR[1]	BBB-	Standard and Poors	June 2009[2]
	Baa3	Moody's	August 2008
Dulles Greenway[3]	BBB-	Standard and Poors	September 2009
	Baa3	Moody's	February 2009
	BBB-	Fitch	July 2010
Chicago Skyway[4]	AA+	Standard and Poors	n/a
	Aa3	Moody's	n/a

1. Reflects corporate rating.
2. In June 2009, a revised rating methodology was applied to APRR and an issuer credit rating of BBB- was assigned.
3. Reflects corporate rating. 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.
4. Reflects credit insurer rating. 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 5 – NET DEBT/EBITDA RATIOS

Table 25 – Net Debt/EBITDA ratios

Asset	Net Debt/EBITDA Ratio as at 31 December 10[1]
APRR/Eiffarie	7.8 x
Dulles Greenway	17.6 x
M6 Toll[2]	23.1 x
Chicago Skyway	35.4 x
Indiana Toll Road	28.9 x
Warnow Tunnel	31.0 x

1. Using net debt as at 31 December 2010 and actual EBITDA for the year ending 31 December 2010.
2. M6 Toll net debt includes land fund and swap liability.

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.

M6 Toll

DSCR is defined as CFADS / 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.

APPENDIX 7 – DEBT SERVICE COVERAGE RATIOS (DSCR)

Table 26 – Debt service coverage ratios

Asset	DSCR as at 31 December 10	Equity Lock-up Ratio
APRR/Eiffarie	1.98 x	1.25 x
Dulles Greenway[1]	1.36 x	1.25 x
M6 Toll	2.01 x	1.40 x
Chicago Skyway	1.53 x	1.60 x
Indiana Toll Road[2]	1.00 x	1.15 x
Warnow Tunnel	1.78 x	1.05 x

1. The Dulles Greenway DSCR (Net Toll Revenues/ Total Debt Service) excludes interest income from "Net Toll Revenues" and includes both principal and interest on outstanding bonds payable during 2010 in "Total Debt Service" as 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. At 31 Dec 2010, USD1.2m of the liquidity facility was drawn resulting in a total of USD78.5m being drawn on the USD150.0m facility limit.