

APPENDIX 4D

Half Year Report

Name of entity: **Macquarie Atlas Roads (“MQA”)**

1. Details of the reporting period

Current Period: 1 January 2011 – 30 June 2011

Previous Corresponding Period: 15 December 2009 – 30 June 2010

2. Results for announcement to the market

	\$A'000		
2.1 Revenue from continuing operations	Down	6.2%	to 45,106
2.2 Loss from continuing operations after tax for the period	Down (Reduction in loss)	53.0%	to (106,354)
Loss after tax for the period	Down (Reduction in loss)	52.9%	to (106,354)
2.3 Loss for the period attributable to MQA stapled security holders	Down (Reduction in loss)	24.7%	to (106,354)

The results from continuing activities after tax for the period represent MQA's statutory result. MQA also separately provides supplementary information including its proportionate results from its portfolio of toll road assets. On a like for like basis, proportionate revenue increased by 4.2% to \$344.3 million, proportionate EBITDA increased by 5.4% to \$248.0 million and proportionate earnings from road assets increased by 72.7% to \$86.2 million. Proportionate earnings information represents the aggregation of the financial results of MQA's assets in proportion to its beneficial ownership interests.

MQA's statutory loss from continuing activities after tax for the period of \$106.4 million (2010: \$226.1 million) includes MQA's share of net losses of investments accounted for using the equity method of \$17.3 million (2010: \$242.6 million). These losses include fair value gains on interest rate swaps of \$3.3 million (2010: fair value losses of \$143.7 million), the majority of which are taken through reserves (accounted for as effective hedges) at the non-controlled asset level. Derivative instruments are recorded at fair value which can result in significant volatility in a given period as market expectations of interest rates fluctuate.

MQA consolidates the wholly owned M6 Toll's assets and non-recourse liabilities, income and expense items into its statutory financial statements. MQA's balance sheet shows a net liability position of \$287.9 million as at 30 June 2011. This is primarily driven by M6 Toll related balances: its non-recourse liabilities of \$2.0 billion exceeds the depreciated carrying value of its toll road related assets of \$0.9 billion.

Neither the statutory loss for the period, nor the net liability position reflect any solvency issues in MQA or impact on MQA's operating performance or cash flows.

2.4 Dividends (distributions)	Amount per security	Franked amount per security
<i>Current Period:</i>		
Final dividend / distribution	N/A	N/A
Interim dividend / distribution	Nil	Nil
<i>Previous Corresponding Period:</i>		
Final dividend / distribution	N/A	N/A
Interim dividend / distribution	Nil	Nil
2.5 Record date for determining entitlements to the dividend / distribution	N/A	

2.6 Provide a brief explanation of any of the figures reported above necessary to enable the figures to be understood:

The results of MQA for the period ended 30 June 2011 was a loss from continuing activities after tax for the period of \$106.4 million (2010: \$226.1 million) of which \$106.4 million (2010: \$141.7 million) was attributable to MQA stapled security holders. The decrease in the loss for the period reflects the following significant movements:

- Share of net losses of investments accounted for using the equity method of \$17.3 million (2010: \$242.6 million). MQA's share of net losses comprises the following: Autoroutes Paris-Rhine-Rhône (APRR) profit of \$11.0 million (2010: loss of \$157.0 million), Dulles Greenway loss of \$10.8 million (2010: loss of \$10.5 million), Chicago Skyway loss of \$17.5 million (2010: loss of \$41.3 million), Indiana Toll Road \$nil (2010: loss of \$32.6 million) and Warnow Tunnel \$nil (2010: loss of \$1.2 million).

The decrease in the share of net losses of investments accounted for using the equity method primarily includes the fair value gains on interest rate swaps of \$3.3 million for the half year ended 30 June 2011 compared to fair value losses of \$143.7 million in the period ended 30 June 2010 as indicated on page 1;

- Other operating costs of \$92.2 million (2010: \$42.1 million) have increased mainly due to an increase in Manager's and Adviser's base fees and performance fees to \$58.3 million in the half year ended 30 June 2011 from \$7.8 million in the period ended 30 June 2010. During the half year ended 30 June 2011 MQA has recognised the full 30 June 2011 performance fee, including instalments that may become payable in future periods; and
- In the period to 30 June 2010 Eiffarie SAS, an associate of MQA, acquired a further 13.73% interest in APRR from minority shareholders and as a consequence MQA ceased to control certain subsidiaries and recognised a gain on deconsolidation of \$54.0 million.

For further explanation of the results please refer to the accompanying announcement, including the Interim Financial Report for the half year ended 30 June 2011.

3. Net asset backing per stapled security

	Current period (As at 30 June 2011)	Previous corresponding Period (As at 30 June 2010)
Net tangible assets per stapled security *	(\$0.70)	(\$0.72)

* Under the listing rules NTA Backing must be determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary securities (i.e., all liabilities, preference shares, outside equity interests etc). The NTA does not reflect the fair value of MQA's portfolio of assets.

4. Control gained or lost over entities during the period

4.1 Name of entity (or group of entities) over which control was gained	None
4.2 Date control was gained	N/A
4.3 Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	N/A
4.4 Name of entity (or group of entities) over which control was lost	None
4.5 Date control was lost	N/A
4.6 Consolidated profit (loss) from continuing activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	N/A
4.4 Profit (loss) from continuing activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the previous corresponding period	N/A

5. Details of dividends/distributions

No dividends were paid or proposed during the period.

6. Details of dividend/distribution reinvestment plan

There was no dividend reinvestment plan in operation during the period.

7. Details of associates and joint venture entities

	Current period (As at 30 June 2011)	Previous corresponding Period (As at 30 June 2010)
Name of associate	MQA's ownership interest (%)	
Macquarie Autoroutes de France 2 SA	38.9	44.4
Dulles Greenway Partnership*	50.0	50.0
Chicago Skyway Partnership	50.0	50.0
Indiana Toll Road Partnership	49.0	49.0
Warnowquerung GmbH & Co. KG (WKG) (limited partnership)**	70.0	70.0
Warnowquerung Verwaltungsgesellschaft mbH**	70.0	70.0

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

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

8. Details of Controlled Entities

Name of subsidiary	
Macquarie Green Bermudian Holdings Ltd	Macquarie Infrastructure US Pty Ltd
MQA Holdings Ltd	Macquarie 125 Holdings Inc
MQA Investments Ltd	Macquarie Infrastructure Australia Pty Ltd
Macquarie European Infrastructure Ltd	MQA Holdings 2 (US) LLC
Macquarie Motorways Group Ltd	MQA Investments Australia Pty Ltd
Midland Expressway Ltd	MQA Indiana Holdings LLC
Macquarie Infrastructure (UK) Ltd	MQA Holdings (US) LLC
European Transport Investments (UK) Ltd	MIT (II) Holdings Pty Ltd
Macquarie UK Projects Ltd	Macquarie Infrastructure Netherlands Investments
Macquarie Midland Holdings Ltd	Cooperatief UA
Tipperhurst Ltd	Macquarie Infrastructure Netherlands Tollroads BV
Macquarie Autoroute International Sarl	M635 Pty Ltd
MIBL Finance Luxembourg Sarl	European Transport Investments Pty Ltd

9. Accounting standards used by foreign entities

All foreign entities have been adjusted to conform with Australian Accounting Standards where necessary.

10. Audit / review of accounts upon which this report is based

This report is based on accounts to which one of the following applies (*tick one*):

<input type="checkbox"/>	The accounts have been audited. (refer attached financial statements)	<input checked="" type="checkbox"/>	The accounts have been subject to review. (refer attached financial statements)
<input type="checkbox"/>	The accounts are in the process of being audited or subject to review.	<input type="checkbox"/>	The accounts have <i>not</i> yet been audited or reviewed.

11. Qualification of audit / review

N/A as there is no audit dispute or qualification. Refer attached interim financial report for the review report.