Macquarie Atlas Roads

Management Information Report
31 December 2014

Disclaimer

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

Any arithmetic inconsistencies are due to rounding.

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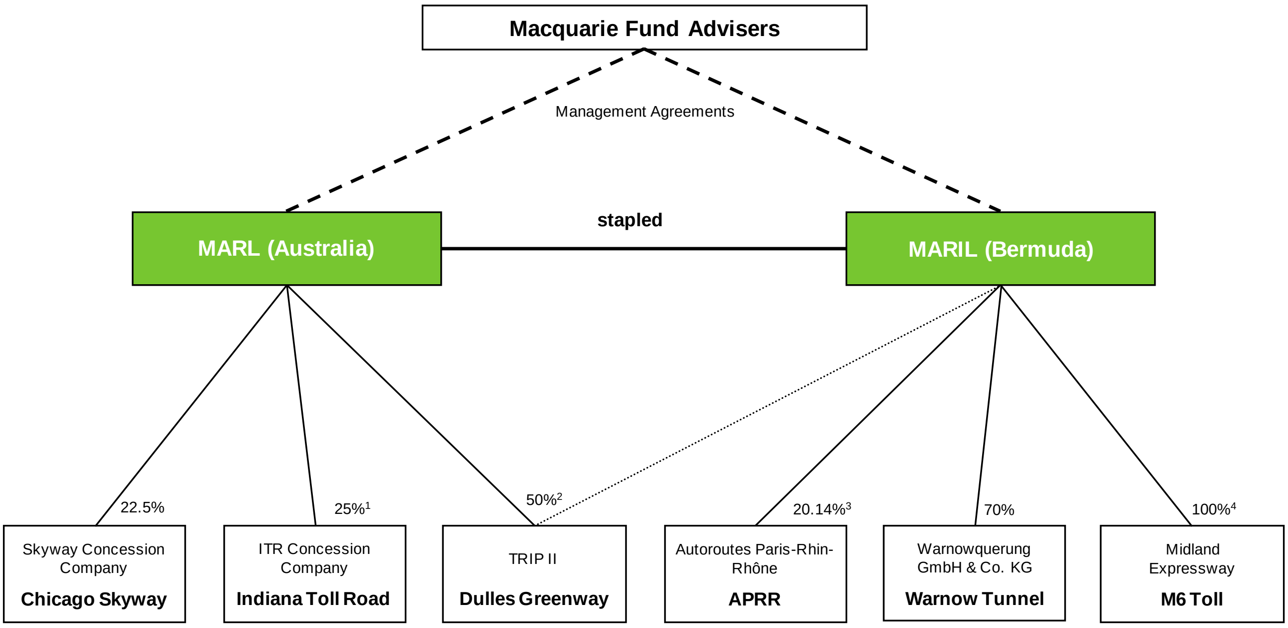
Overview of Structure

Macquarie Atlas Roads ("MQA" or "the Group") is a stapled security listed on the Australian Securities Exchange ("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 Macquarie Atlas Roads Limited ("MARL") and a share in Macquarie Atlas Roads International Limited ("MARIL").

The diagram below shows the split of MQA's portfolio of assets between the two MQA stapled entities as at 31 December 2014 (unless otherwise stated). All assets are non-controlled assets for accounting purposes.

Figure 1 – Structure at 31 December 2014



Information in the Management Information Report is presented on an aggregated basis, reflecting MQA's structure at 31 December 2014 (unless otherwise stated).

Asset Portfolio

As at 31 December 2014 MQA's portfolio of toll road assets and percentage interests were as follows:

Asset	Location	Reporting currency	Date of initial acquisition[5]	MQA's interest
APRR/Eiffarie	France	€	Feb 2006	20.14%[3]
Dulles Greenway	United States	US$	Sep 2005	50.00%[2]
Chicago Skyway	United States	US$	Jan 2005	22.50%
Warnow Tunnel	Germany	€	Dec 2000	70.00%
Indiana Toll Road	United States	US$	Jun 2006	25.00%[1]
M6 Toll	United Kingdom	£	Oct 1999	100.00%[4]

1. MQA holds a 25% interest in ITR, however the Beneficial Interest is 0% as MQA is no longer expected to be exposed to any significant variable returns from ITR's ongoing operations. Refer to Update on Assets (page 6).
2. Estimated economic interest.
3. On 29 July 2014, MQA's economic interest in APRR increased from 19.44% to 20.14%.
4. MQA holds 100% of the ordinary equity in M6 Toll, however the Beneficial Interest is 0% as MQA is no longer exposed to any significant variable returns from M6 Toll's ongoing operations. Refer to Update on Assets (page 6).
5. Reflects initial acquisition by Macquarie Infrastructure Group ("MIG"). These assets were acquired by MQA on demerger from MIG on 2 February 2010.

Report Summary

The purpose of the Management Information Report ("MIR" or "the Report") is to provide information supplementary to the Financial Report of MQA for the year ended 31 December 2014. This Report provides a detailed analysis of the underlying performance of each road asset within the MQA portfolio. The policies applied in preparing this Report are detailed in Appendix 1.

This Report is prepared on a different basis from the MQA Financial Report, which is prepared in accordance with Australian Accounting Standards. The information contained in this Report does not, and cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of MQA for the year ended 31 December 2014 as in the Financial Report. This Report should be read in conjunction with the Financial Report which is available from the MQA website. Refer to Appendix 2 for a reconciliation between the results presented in this Report and the Financial Report.

This Report presents a number of metrics prepared on a proportionate basis which involves the aggregation of the Group's proportionate interest in the financial results of road assets. Proportionate EBITDA information presented aggregates the financial results of MQA's toll road assets in the relevant proportions that MQA holds Beneficial Interests. Proportionate EBITDA excludes non-cash items which are not reflective of cash outflows in the current reporting period.

This Report comprises the following Sections:

Section 1 – Traffic and Financial Performance presents a summary of road asset performance, proportionate EBITDA and other measures for the year ended 31 December 2014. Also outlined in Section 1.2 is a summary of MQA's corporate and cash position.

Section 2 – Asset Performance provides a more detailed analysis of the performance of MQA's individual road assets.

Section 3 – Asset Debt Information provides further details on the asset level non-recourse debt for each of MQA's assets as at 31 December 2014.

Update on Assets

Following the deconsolidation of the M6 Toll and the restructuring of ITR, traffic and financial information for these assets is not included in MQA's proportionally consolidated results. The operating performance of these assets no longer has an impact on MQA's cash flow or value. Where prior corresponding period ("pcp") information is presented on a pro forma basis, M6 Toll and ITR related figures have been excluded from pcp information.

Indiana Toll Road (ITR) – Indiana, US

In late October 2014, a US bankruptcy court approved ITR's pre-packaged restructuring plan for the holding company of ITR under Chapter 11 of the United States Code, which permits the sale of its assets.

The only potential cash flow which MQA expects to receive from ITR in the foreseeable future is its small share of the sale proceeds if a sale is finalised. MQA's Beneficial Interest is deemed to be nil from the date the bankruptcy package was approved in late October 2014.

The Chapter 11 filing has not had any impact on ITR's operations.

M6 Toll – West Midlands, UK

On 12 December 2013, a debt refinancing for the M6 Toll was completed. Under the terms of the refinancing, the debt has been reorganised and has an extended new maturity date of 1 June 2020.

While MQA continues to hold 100% of the ordinary equity in the project, it only receives an annual fee for continuing to manage the asset of £750,000, indexed for inflation and paid semi-annually. MQA does not expect to receive any further equity distributions as all surplus cash flows from the asset will be applied to service the debt.

1

Traffic and Financial Performance

1. Traffic and Financial Performance

1.1 Traffic and Proportionate Financial Performance Summary – Assets

Table 1 – Traffic growth and proportionate EBITDA from road assets for year ended 31 December

A$m	Actual year ended 31 Dec 14	Pro Forma year ended 31 Dec 13[2]	Change vs pcp	Actual year ended 31 Dec 13[3]
Traffic growth on pcp[1]	n/a	n/a	1.7%	n/a
Proportionate revenue	697.3	679.9	2.6%	682.9
Proportionate operating expenses	(197.5)	(195.9)	(0.8%)	(193.2)
Proportionate EBITDA from road assets	**499.8**	**484.0**	**3.3%**	**489.7**
EBITDA margin (%)	71.7%	71.2%	0.5%	71.7%

1. Portfolio revenue weighted average.
2. Data represents the results of MQA's portfolio of road assets for the year ended 31 December 2013, adjusted for ownership interests and foreign exchange rates for the year ended 31 December 2014.
3. Actual data reflects ownership interests and foreign exchange rates for the year ended 31 December 2013.

Weighted average traffic for the year ended 31 December 2014 was 1.7% higher than pcp. Overall traffic performance during the year was largely driven by the strong performance of Dulles Greenway, as well as increased light vehicle volumes on the APRR network.

Proportionate EBITDA for the year ended 31 December 2014 increased compared to pcp reflecting both higher traffic levels and the revised toll schedules implemented over the past twelve months.

Further details on the preparation of this section of the Report are set out in the Summary of Significant Policies (Appendix 1). Refer to Appendix 2 for a reconciliation of the Proportionate EBITDA presented in this section to the profit attributable to MQA security holders in the statutory results. A more detailed analysis of the proportionate EBITDA of the individual road assets is included in Section 2.

1.2 Financial Performance Summary – Corporate and Cash Position

Table 2 – Aggregated Cash Flow Statement

A$m	Year ended 31 Dec 14	Year ended 31 Dec 13
Cash flow received from assets		
APRR	96.6	48.8
M6 Toll	0.8	-
Total cash flow received from assets	**97.4**	**48.8**
Other operating cash flows		
Manager and Adviser base fees paid	(23.2)	(18.1)
Payments to suppliers and directors	(2.9)	(3.5)
Manager and Adviser performance fees paid	-	-
Interest income on corporate cash balances	0.7	0.4
Other net amounts received	0.2	0.2
Income tax (paid)/refund received	(0.0)	3.1
Net MQA operating cash flows	**72.1**	**30.9**
Investing and financing cash flows		
Proceeds from issue of securities	60.0	-
Transaction costs on issue of securities	(0.7)	-
Payments for purchase of investments (including transaction costs)	(52.7)	-
Distributions paid	(66.3)	(27.6)
Total investing and financing cash flows	**(59.7)**	**(27.6)**
Net increase in cash assets	**12.3**	**3.4**
Cash assets at beginning of the year	**19.5**	**15.3**
Exchange rate movements	**0.1**	**0.9**
Cash assets at the end of the year	**31.9**	**19.5**
Comprising: Available cash	30.1	17.7
Cash not currently available for use	1.8	1.8

1.2.1 Cash flow and cash position

Cash assets include cash not currently available for use by MQA of A$1.8m. This amount represents a secured cash deposit in relation to an outstanding guarantee in respect of Warnow Tunnel.

The Aggregated Cash Flow Statement includes the cash flows of each of the stapled entities and their wholly owned subsidiaries, excluding the entities that form part of the road operator company groups. Refer to Appendix 2 for a reconciliation of operating cash flows per this Report to the statutory results.

1.2.2 Corporate net interest income

Corporate net interest income was A$0.7m for the year ended 31 December 2014, an increase from A$0.4m over the corresponding period in 2013. The average cash balance during the year was A$30.6m (2013: A$19.6m).

1.2.3 Corporate expenses

The MQA manager notified that commencing 1 January 2014 and for subsequent years until further notice, the base management fee rates payable on market capitalisations up to A$3.0bn were to be reduced by 25bps per annum to 1.75% per annum for market capitalisation up to A$1.0bn and 1.0% per annum for market capitalisation above A$1.0bn. Base management fees paid in the current period totalled A$23.2m, an increase from A$18.1m in the year ended 31 December 2013 reflecting the higher MQA market capitalisation in 2014, partially offset by the reduction in base fee rates applicable.

The first A$19.4m instalment of the A$58.2m June 2014 performance fee became payable at 30 June 2014. MQA's manager/adviser, Macquarie Fund Advisers Pty Limited, and MQA's independent directors agreed that Macquarie would apply this instalment to a subscription for MQA securities, which were issued on 4 September 2014.

Corporate net expenses paid, other than base management and performance fees, totalled A$2.9m for the year ended 31 December 2014, compared to A$3.5m for 2013.

1.2.4 Distribution

On 12 March 2014, MQA declared its third distribution of 5.0 cents per MQA stapled ("cps") for the first half of 2014. This distribution, which fully comprised a foreign dividend, was paid in full by MARIL on 4 April 2014.

On 17 September 2014, MQA declared a distribution of 8.2 cps for the second half of 2014. This distribution was also paid in full by MARIL on 8 October 2014. 6.4 cps of the distribution was a capital return for Australian tax purposes. The remaining 1.8 cps comprised a foreign dividend.

As MARIL is a Bermudan company the Australian franking credit regime does not apply to foreign dividend components.

The following table provides a summary of distributions paid.

Table 3 – Distributions paid

	Return of Capital	Foreign Dividend	Total
Distribution per security paid on 8 October 2014	6.4	1.8	**8.2**
Ordinary dividend per security paid on 4 April 2014	-	5.0	**5.0**
Ordinary dividend per security paid on 4 October 2013	-	3.3	**3.3**
Ordinary dividend per security paid on 19 April 2013	-	2.4	**2.4**

2

Asset Performance

2. Asset Performance

Prior corresponding period results presented in this section of the Report are prepared on a pro forma basis unless otherwise stated. Sections 2.2 to 2.5 are reported on a 100% asset basis and in the natural currency of the asset.

Refer to Appendix 3 for a summary of quarterly traffic performance and toll revenue.

2.1 Traffic and Toll Revenue Analysis by Asset

Further details on the basis of preparation of this section of the Report are set out in the Summary of Significant Policies (Appendix 1).

Table 4 – Traffic and Toll Revenue Analysis

	APRR	Dulles Greenway	Chicago Skyway	Warnow Tunnel
Traffic metric	Total VKT[1]	Average Daily Traffic	Average Daily Traffic	Average Daily Traffic
Year ended 31 December 2014				
Toll revenue growth on pcp[2]	2.6%	5.2%	1.0%	4.5%
Traffic growth on pcp	1.6%	3.0%	0.2%	1.7%

1. Measured as Total Vehicle Kilometres Travelled ("VKT").
2. Excludes other revenue such as rental income.

Table 5 – Proportionate EBITDA

A$m	APRR/ Eiffarie[1]	Dulles Greenway	Chicago Skyway	Warnow Tunnel	Total
Actual year ended 31 December 2014					
Operating revenue	623.7	43.7	20.1	9.8	697.3
Operating expenses	(183.0)	(8.8)	(2.4)	(3.3)	(197.5)
EBITDA from road assets	**440.7**	**34.9**	**17.8**	**6.5**	**499.8**
Pro Forma year ended 31 December 2013[2]					
Operating revenue	609.2	41.5	19.9	9.3	679.9
Operating expenses	(181.6)	(8.9)	(2.3)	(3.1)	(195.9)
EBITDA from road assets	**427.6**	**32.6**	**17.7**	**6.2**	**484.0**
Change vs pcp[3]					
Operating revenue	2.4%	5.3%	1.0%	5.3%	2.6%
Operating expenses	(0.8%)	1.1%	(3.7%)	(4.8%)	(0.8%)
EBITDA from road assets	3.1%	7.1%	0.7%	5.5%	3.3%

1. Figures represent a consolidation of APRR and Eiffarie/Financière Eiffarie ("FE"). APRR standalone information provided in Section 2.2.1.
2. Data for 31 December 2013 represents the results of MQA's portfolio of road assets for the year ended 31 December 2013 adjusted for ownership interests and foreign exchange rates for the year ended 31 December 2014.
3. Based on AUD figures presented. There may be differences when calculated in natural currency.

2.2 Autoroutes Paris-Rhin-Rhône (APRR) – France

2.2.1 Traffic

Table 6 – APRR traffic performance

Vehicle kilometres travelled (millions)	Year ended 31 Dec 14	Year ended 31 Dec 13	Change vs pcp
Light vehicles	18,423	18,126	1.6%
Heavy vehicles	3,237	3,190	1.5%
Total	**21,660**	**21,315**	**1.6%**
Workdays in period	251	251	+0
Non-workdays in period	114	114	+0

Light vehicle traffic was up 1.6% on pcp reflecting an increase in total household disposable income and lower fuel prices on average for the year. Heavy vehicle traffic grew 1.5% during the year, with growth decelerating during the second half of the year.

Figure 2 – Light vehicle traffic growth vs pcp

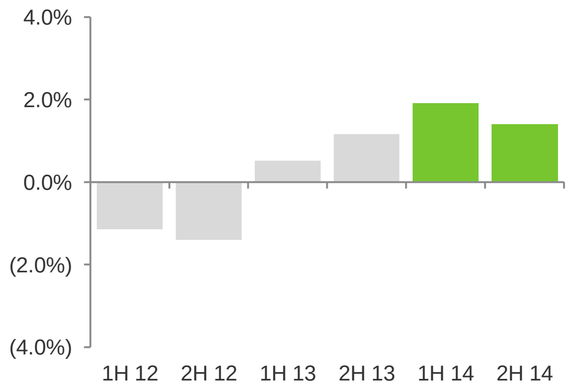


Figure 3 – Heavy vehicle traffic growth vs pcp

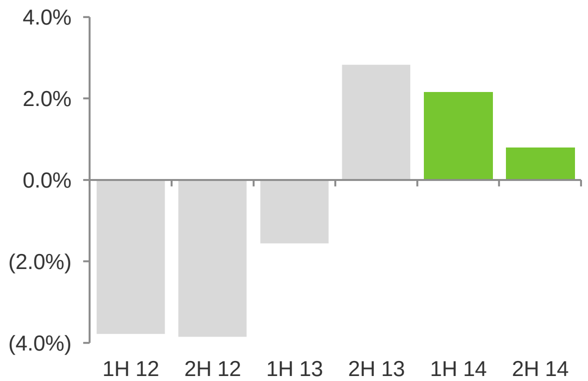


Figure 4 – APRR quarterly traffic performance (VKTm)

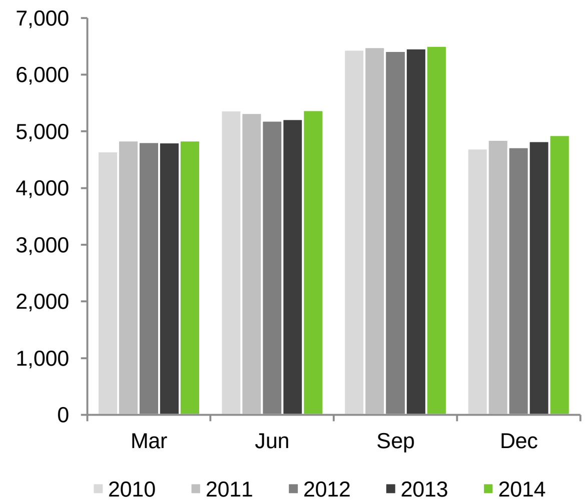
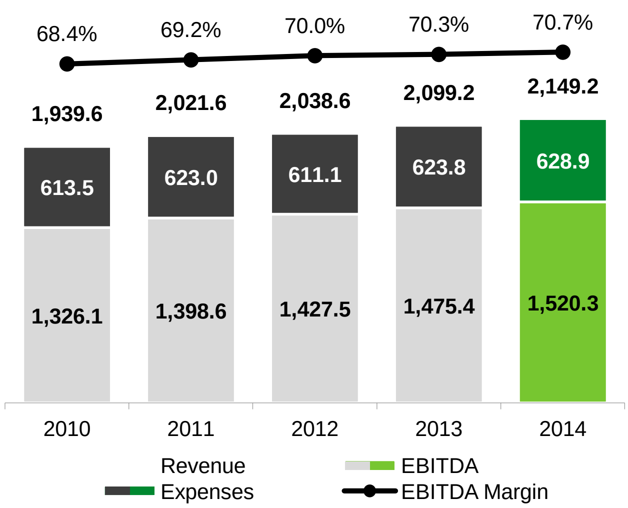


Figure 5 – APRR EBITDA and revenue (€m)[1], year ended 31 December



1. Results represent performance of APRR on a standalone basis. On a consolidated APRR and Eiffarie/FE basis, 2014 EBITDA was €1,519.4m. The difference results from €0.9m of operating expenses at the Eiffarie/FE level.

2.2.2 Financial performance

Table 7 – Revenue (€m)

	Year ended 31 December				
€m	2010	2011	2012	2013	2014
Toll Revenue	1,882.2	1,961.0	1,971.1	2,028.2	2,081.5
Other Revenue	57.4	60.6	67.5	71.0	67.7
Total Revenue	**1,939.6**	**2,021.6**	**2,038.6**	**2,099.2**	**2,149.2**

Consolidated revenues totalled €2,149.2m for 2014, up 2.4% from pcp. The increase in revenue was primarily due to higher toll revenues (up 2.6% compared to pcp), resulting from higher traffic and the annual tariff increases of 0.80% and 0.84% for APRR and AREA respectively, effective 1 February 2014. Other revenue, primarily revenue from retail facilities and telecommunications, fell by 4.7% mainly due to the renewal of a telecommunications contract at renegotiated terms.

Table 8 – Operating expenses (€m)

	Year ended 31 December				
€m	2010	2011	2012	2013	2014
Employment costs	(217.9)	(218.7)	(220.4)	(217.3)	(219.6)
Tax (other than income tax)	(239.5)	(264.4)	(258.2)	(274.6)	(291.7)
Purchases, external charges and other (ex IFRIC 12)	(156.1)	(140.0)	(132.5)	(131.9)	(117.7)
APRR operating expenses[1]	**(613.5)**	**(623.1)**	**(611.1)**	**(623.8)**	**(628.9)**
Eiffarie/FE operating expenses[2]	(5.4)	(3.2)	(1.3)	(0.9)	(0.9)

1. Excludes provisions.
2. Includes post reporting period adjustments.

Purchases and external charges were lower than pcp, in part due to the mild winter. Employment costs were slightly higher than pcp due to increased profit sharing and bonuses. Operational taxes were higher than pcp due to higher revenues and the increase in land tax effective from July 2013.

Table 9 – Interest, tax, depreciation and amortisation (€m)

	Year ended 31 December				
€m	2010	2011	2012	2013	2014
APRR interest income[1]	4.0	11.0	18.0	16.1	22.9
APRR interest expense[1]	(286.8)	(350.3)	(393.7)	(351.1)	(345.6)
Eiffarie net interest	(153.9)	(150.8)	(183.7)	(223.7)	(237.6)
APRR current income tax expense	(236.5)	(240.3)	(258.6)	(287.1)	(341.5)
Tax grouping	-	177.9	173.6	205.0	253.2
Group current income tax payable	**n/a**	**(62.4)**	**(85.0)**	**(82.1)**	**(88.3)**
APRR depreciation and amortisation	(361.7)	(383.1)	(387.7)	(394.5)	(404.3)

1. As per APRR published Financial Statements.

The increase in APRR interest income for the year to 31 December 2014 compared to pcp reflects the higher average cash levels during the year, whereas the decrease in APRR interest expense for the year compared to pcp reflects the lower cost of debt.

Eiffarie net interest reflects a higher swap rate of 4.60% effective July 2013 up from 3.58%.

Since 1 January 2011, FE and Eiffarie have been grouped with APRR for tax purposes. Current year deductions from FE/Eiffarie are offset against APRR taxable income in the period and carried forward losses may be used to offset up to 50% of the resultant net taxable income for the period.

In 2014, APRR recognised a one off tax liability of €45m as a result of an intra group reorganisation. This liability eliminates at the tax group level with no tax payable.

Increases in depreciation and amortisation over time are due to additional capital works being completed under the management contracts. These additional assets are capitalised on APRR's balance sheet and subsequently depreciated in future periods.

2.2.3 Cash interest paid

APRR interest paid for the year ended 31 December 2014 was €348.0m (net interest paid was €336.5m) compared to pcp of €409.3m (net interest paid was €400.9m).

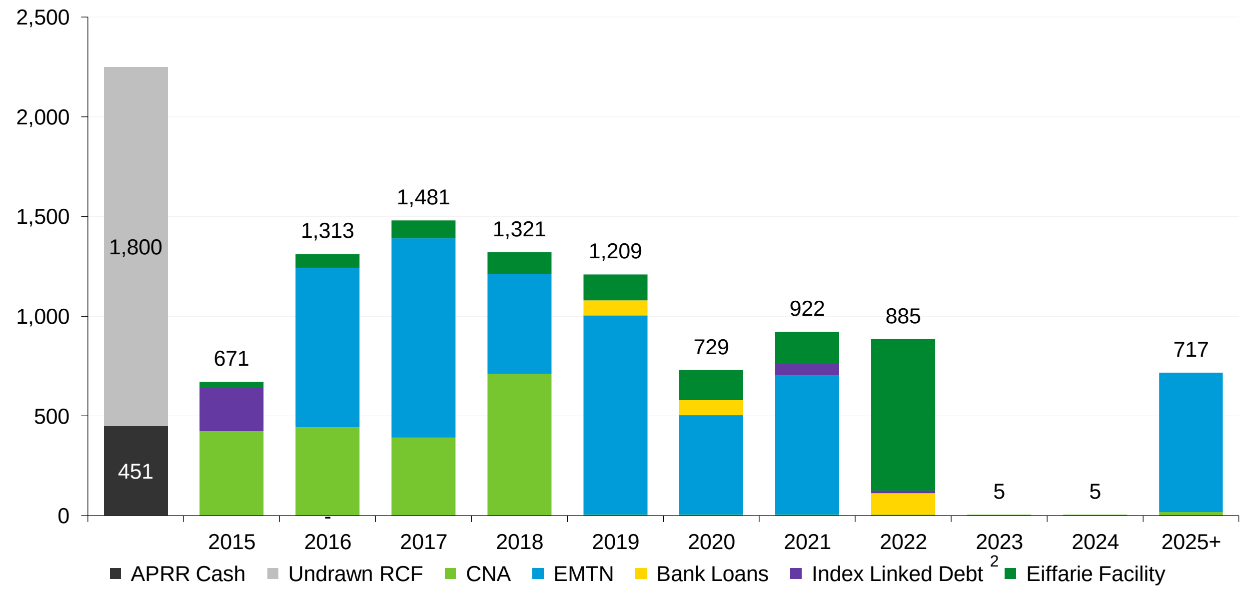
2.2.4 Operational initiatives

The number of active Liber-t badges managed by APRR/AREA increased by 18.2% over the last twelve months, with over 1.72 million badges now in circulation. Electronic toll collection accounted for 52.7% of all transactions in 2014 compared to 51.2% in 2013. Automated transactions (comprising electronic and credit card transactions) made up 95.1% of all transactions in 2014 (2013: 93.3%).

2.2.5 Financing and Debt

The chart below presents a pro forma debt maturity profile and liquidity position for the APRR/Eiffarie group. The cash and debt balances have been adjusted to reflect the refinancing of the Eiffarie Debt Facility and the replacement of the APRR Revolving Credit Facility ("RCF"), which were completed on 19 February 2015, as well as the EMTN maturity in January 2015.

Figure 6 – APRR/Eiffarie pro forma debt maturity profile at 31 December 2014 (€m)[1]



1. The cash and debt balances have been adjusted to reflect the refinancing of the Eiffarie Facility (including the dividend from APRR) and the replacement of the APRR RCF, which were signed on 19 February 2015, as well as the EMTN maturity in January 2015. Excludes short term debt and mark to market on swaps.
2. Index linked debt includes €250m (excluding indexation) of index linked bonds issued under the EMTN programme.

APRR

On 9 January 2014, APRR issued an additional €500m of bonds under its EMTN programme. The bonds were issued at €99.342 with a coupon of 2.25% and a maturity of January 2020.

On 29 April 2014, APRR issued €500m of floating rate notes under its EMTN programme. The notes were issued at €99.715 with a margin 75bps to 3 month Euribor and a maturity of 31 March 2019.

On 4 November 2014, APRR issued an additional €1,400m of bonds under its EMTN programme:

- €700m of bonds issued at €99.611 with a coupon of 1.125% and a maturity of January 2021.
- €700m of bonds issued at €99.499 with a coupon of 1.875% and a maturity of January 2025.

Part of the proceeds of these issues was used to repay a €700m EMTN maturing in January 2015.

During the year ended 31 December 2014, CNA debt totalling €365.3m and bank loans totalling €500m were repaid.

As at 31 December 2014, APRR's liquidity consisted of €2,104.9m cash and an undrawn RCF of €719.5m. At that date, APRR had €8,830.0m of gross debt (including accrued interest and adjustments) including:

- €6.2bn of public bonds issued under APRR's EMTN programme – includes €250m (excluding indexation) of index linked bonds. APRR can continue to issue further bonds under this programme as required;
- €2.0bn provided by Caisse Nationale des Autoroutes ("CNA"). Prior to privatisation of APRR, the French Government used the CNA as the financing vehicle. The CNA raised funds by issuing government backed bonds and lent to the motorway companies on the same terms. APRR's outstanding CNA debt is predominately fixed rate and will be materially amortised by 2018; and
- €250m from the European Investment Bank, raised in 2007 and 2012-13 to cover capital expenditure.

APRR has signed a €1.8 billion RCF on 19 February 2015, which has replaced its existing undrawn €720 million credit facility. See below a summary of the key terms achieved.

Item	Terms
Facility Amount	€1.8bn
Maturity	February 2020, with two available extensions of one year each
Margin	45bps above Euribor
Commitment fee	35% of Margin
Upfront fees	0.50% of Facility Amount

Eiffarie

As at 31 December 2014, Eiffarie's cash balance totalled €264.2m, including €142.3m in the distributable account and €120.9m in the debt service reserve account.

As at 31 December 2014, the gross balance outstanding on the Eiffarie five-year term loan, which was entered into in February 2012, was €2.515bn. The €2.765bn facility matured in February 2017 and carried a margin of 300bps increasing by 50bps in Year 4 and Year 5. The current cash sweep was 25%, increasing to 75% in Year 4 and 100% in Year 5.

Mark to market value of the interest rate swaps is €510.6m as at 31 December 2014.

On 19 February 2015, Eiffarie signed a €1.5 billion five-year term loan with a syndicate of 18 international banks. See below a summary of the key terms achieved.

Item	Terms
Facility Amount	€1.5bn
Maturity	February 2020, with two available extensions of one year each
Margin	100bps above Euribor
Debt Service Reserve	Nil
Upfront fees	1.05%

Proceeds of the new loan, together with the proceeds of a distribution from APRR, were applied towards the full repayment of Eiffarie's existing €2.5 billion debt facility, which was due to mature in February 2017.

2.2.6 Other

In late 2014 anti toll-road sentiment in France, including calls for the termination of concession contracts, coloured the relationships between French motorway companies including APRR and the French State. At the time of writing, discussions are ongoing between the State and the concession companies regarding a package of measures which would respect the economics of the existing contracts while delivering structural improvements. The State announced that the scheduled 2015 toll increase would be suspended while talks continue. The motorway companies have taken legal measures to protect their rights but remain optimistic that the situation will be resolved satisfactorily.

2.3 Dulles Greenway – Virginia, US

2.3.1 Traffic

Table 10 – Dulles Greenway traffic performance

Average Daily Traffic	Year ended 31 Dec 14	Year ended 31 Dec 13	Change vs pcp
Average workday trips	56,491	55,053	2.6%
Weekends/public holidays	30,725	29,438	4.4%
All days	48,443	47,053	3.0%
Non-cash transactions	91.7%	91.1%	0.6%
Workdays in period	251	251	+0
Non-workdays in period	114	114	+0

Average daily traffic increased by 3.0% on pcp despite the severe winter conditions in the first quarter as a result of continued growth in the corridor and congestion on competing routes.

Traffic volumes on the adjoining Dulles Toll Road ("DTR") fell by 2.3% on pcp. Tolls for two-axle vehicles at the DTR main toll plaza increased by US$0.75 to US$2.50 in January 2014.

2.3.2 Financial performance

Figure 7– Dulles Greenway quarterly traffic performance (ADT)

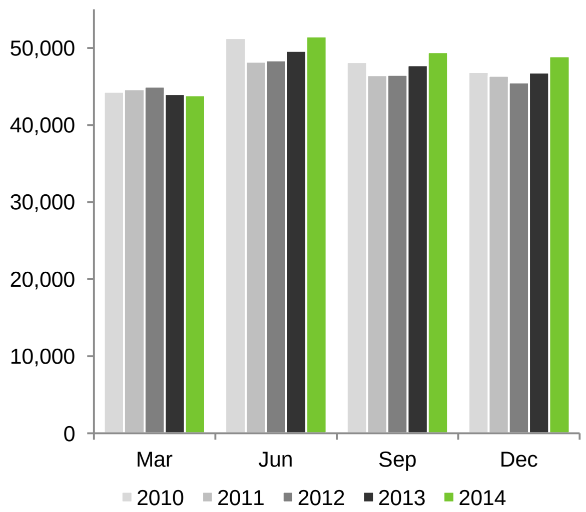
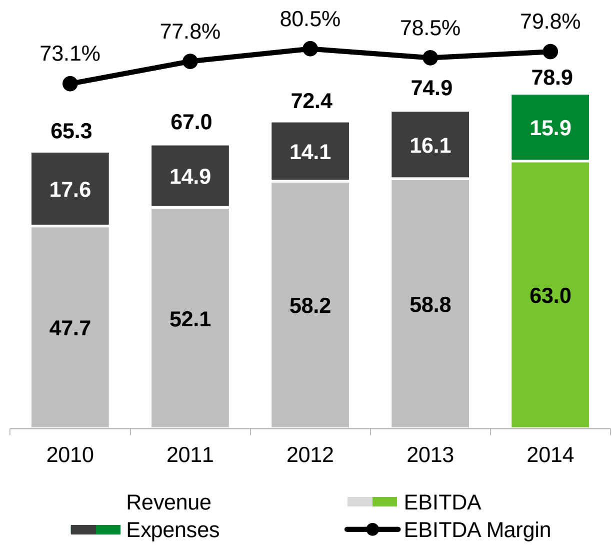


Figure 8 – Dulles Greenway EBITDA and revenue (US$m), year ended 31 December



Revenue for the year ended 31 December 2014 increased 5.3% compared to pcp, reflecting higher traffic and the impact of toll increases. On 11 April 2014, tolls on the Greenway increased from US$4.90 to US$5.10 for peak period, peak direction car traffic and from US$4.10 to US$4.20 for other car traffic.

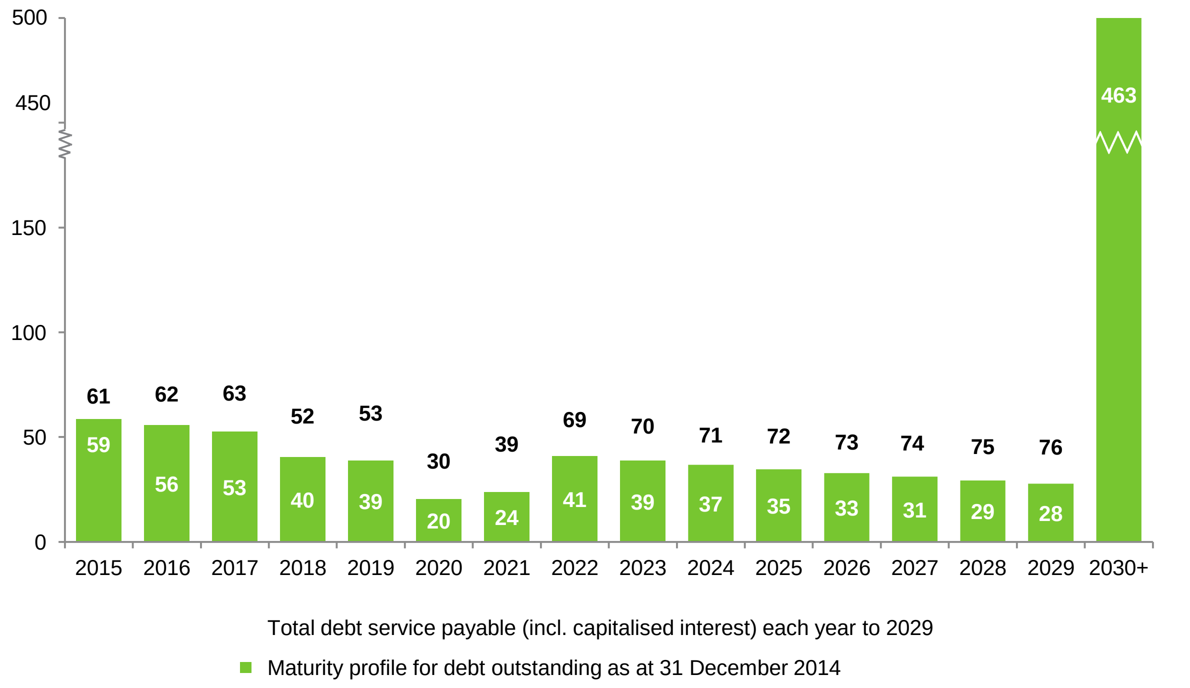
EBITDA for the year increased by 7.1% compared to pcp due to higher revenue and slightly lower operating expenses.

2.3.3 Cash interest paid

Interest paid (reflecting interest on current pay bonds and the element of interest accrued in maturing zero coupon bonds) for the year ended 31 December 2014 was US$32.4m compared to pcp of US$28.9m.

2.3.4 Financing and debt

Figure 9 – Dulles Greenway debt maturity profile at 31 December 2014 (US$m)



All of Greenway's debt is in the form of fixed-interest rate senior bonds, with US$35.0m of current interest bonds and US$990.1m of zero-coupon bonds with various maturities extending to 2056.

Greenway continues to operate on a positive cash flow basis and is well capitalised, with US$158.5m of cash and reserves as at 31 December 2014.

Net debt as at 31 December 2014 was US$866.6m. Please refer to Section 3 for further information.

The chart above presents the maturity profile for the debt outstanding at 31 December 2014. It also provides the total debt service (incl. current/capitalised interest) payable each year to 2030. This amount is net of the bonds that were repurchased and cancelled (maturing 2018-2021) during late 2011 and early 2012. Note, for the distribution tests detailed below, the debt service requirement is based on the original maturity profile.

In 2011, the TRIP II Trustee authorised the use of locked-up cash to repurchase outstanding TRIP II bonds. TRIP II used US$34.3m of locked-up cash to repurchase bonds due to mature between 2018 and 2021 at an average yield to maturity of 7.8%. No further bond repurchases have been made since February 2012.

Distribution tests

The Dulles Greenway has two distribution tests:

- **Minimum Coverage Ratio ("DSCR")** – 1.25x (failure to meet results in 12 month distribution lock-up); and
- **Additional Coverage Ratio ("ADSCR")** – 1.15x (failure to meet results in 36 month distribution lock-up).

In December 2014, the DSCR was 1.09x and the ADSCR was 1.04x, triggering distribution lock-up under its senior debt indentures through to at least December 2017. The distribution ratios are tested annually. The detailed calculation is set out in Section 3.4.

2.3.5 Other

Greenway has undergone an extensive regulatory hearing process with the State Corporation Commission ("SCC") during 2013 and 2014 with respect to the current toll rate structure and rate levels charged on the road. The SCC is expected to conclude its process during 2015. A toll increase application has also been lodged for 2015, with the SCC's response to the request expected in the near-term.

2.4 Chicago Skyway – Chicago, US

2.4.1 Traffic

Table 11 – Chicago Skyway traffic performance

Average Daily Traffic	Year ended 31 Dec 14	Year ended 31 Dec 13	Change vs pcp
Average workday trips	40,608	40,239	0.9%
Weekends/public holidays	42,925	43,474	(1.3%)
All days	41,332	41,249	0.2%
Non-cash transactions	65.9%	65.3%	0.6%
Workdays in period	251	251	+0
Non-workdays in period	114	114	+0

Average daily traffic for the year ended 31 December 2014 increased 0.2% on pcp. Light vehicle traffic was down 0.1% on pcp while heavy vehicle traffic was up 3.6% on pcp.

2.4.2 Financial performance

Figure 10 – Chicago Skyway quarterly traffic performance (ADT)

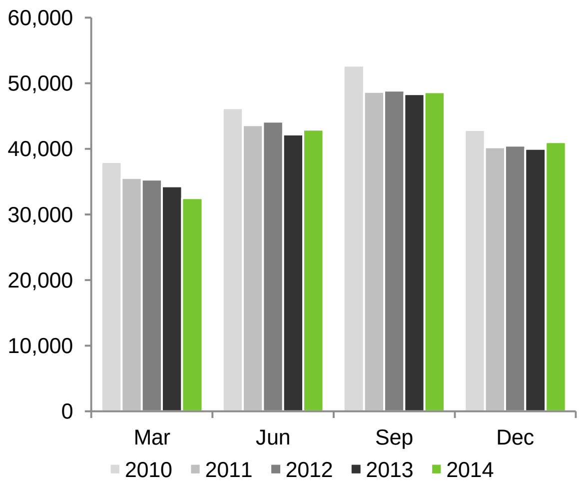
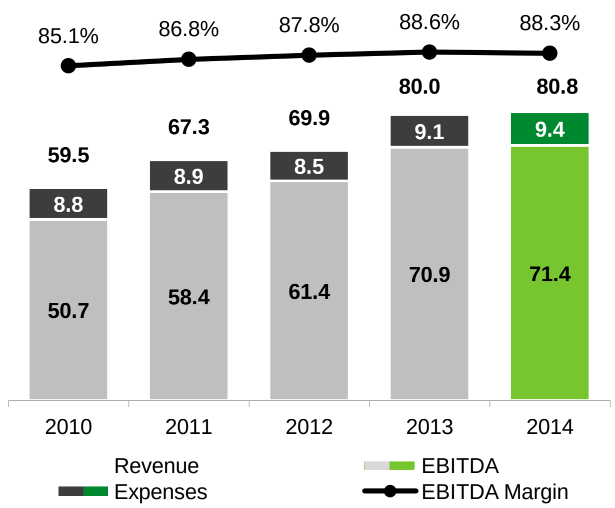


Figure 11 – Chicago Skyway EBITDA and revenue (US$m), year ended 31 December



Revenue for the year ended 31 December 2014 increased 1.0% compared to pcp, as a result of a favourable traffic mix. There have been no toll increases since 1 January 2013. A scheduled toll increase was implemented on 1 January 2015. Operating expenses were 3.6% higher than pcp driven mainly by higher overhead and toll collection costs.

EBITDA for the year ended 31 December 2014 increased by 0.7%, resulting in an EBITDA margin of 88.3%. Non-cash transactions for the year were 65.9% compared to 65.3% for pcp.

2.4.3 Cash interest paid

Interest paid (reflecting interest on current pay bonds and the element of interest accrued in maturing zero coupon bonds) for the year ended 31 December 2014 was US$59.3m compared to US$53.7m for pcp.

2.4.4 Financing and debt

As at 31 December 2014, Skyway had approximately US$2.1bn of debt outstanding, with US$1.5bn of Capital Accretion Bonds, US$439.0m of Current Interest Bonds and US$187.4m of subordinated debt. Chicago Skyway is in distribution lock-up as it did not meet its senior debt equity distribution test in December 2014.

Net debt as at 31 December 2014 was US$1,979.8m. Please refer to Section 3 for further information.

2.5 Warnow Tunnel – Rostock, Germany

2.5.1 Traffic

Table 12 – Warnow traffic performance

Average Daily Traffic	Year ended 31 Dec 14	Year ended 31 Dec 13	Change vs pcp
Average workday trips	12,261	12,163	0.8%
Weekends/Public holidays	7,958	7,602	4.7%
All days	10,917	10,738	1.7%
Workdays in period	251	251	+0
Non-workdays in period	114	114	+0

Average daily traffic on the Warnow Tunnel for the year ended 31 December 2014 increased by 1.7% on pcp, primarily due to the positive impact of intermittent construction disruptions on alternate routes and a milder winter.

2.5.2 Financial performance

Figure 12 – Warnow quarterly traffic performance (ADT)

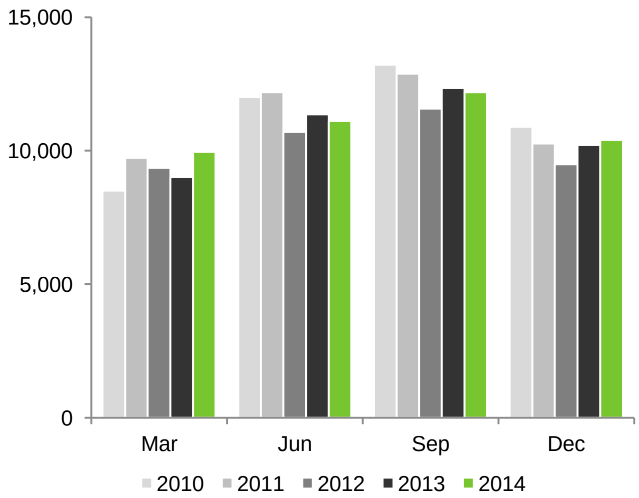
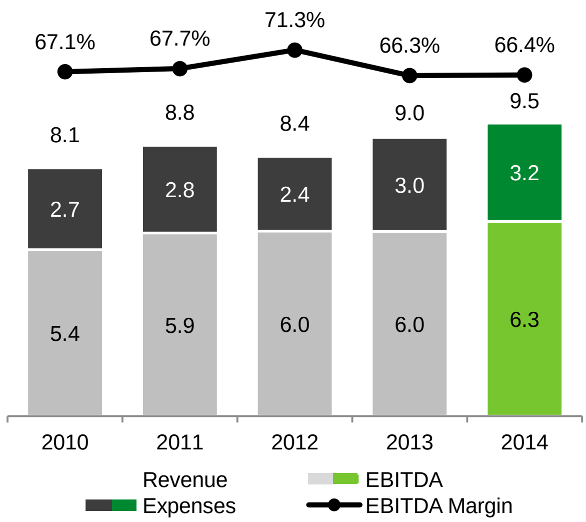


Figure 13 – Warnow EBITDA and revenue (€m), year ended 31 December



Revenue for the year ended 31 December 2014 was 5.2% above pcp reflecting the strong traffic performance and tariff increases that were introduced over the last twelve months.

2.5.3 Cash interest paid

Interest paid for the year ended 31 December 2014 was €3.4m, similar to pcp (2013 €3.4m).

2.5.4 Financing and debt

As at 31 December 2014, Warnow Tunnel had long term amortising bank debt of €165.9m and letters of credit of €2.0m.

Net debt as at 31 December 2014 was €163.9m. Please refer to Section 3 for further information.

3

Asset Debt Information

3. Asset Debt Information

3.1 Asset Debt Metrics

Table 13 – Asset debt metrics[1]

Assets	Local	Gross debt	Cash	Net debt	Net debt/ EBITDA	EBITDA/ Interest	DSCR	Lock-up	Hedging
APRR/Eiffarie[2]	€m	11,345.3	2,369.2	8,976.2	5.90x	n/a	2.31x	1.60x	98.1%
- APRR	€m	8,830.0	2,104.9	6,725.1	4.42x	4.59x	n/a	n/a	n/a
- Eiffarie	€m	2,515.3	264.2	2,251.1	n/a	n/a	n/a	n/a	n/a
Dulles Greenway	US$m	1,025.1	158.5	866.6	13.76x	1.94x	1.09x[3]	1.25x	100.0%
Chicago Skyway	US$m	2,094.6	114.8	1,979.8	27.74x	1.20x[4]	1.26x	1.60x	91.1%
Warnow Tunnel	€m	165.9	2.1	163.9	25.94x	1.88x	2.61x	1.05x	30.7%

1. Using cash/debt balances as at 31 December 2014; hedging % reflects the proportion of debt outstanding as at 31 December 2014 that is fixed or has been hedged and does not take into account future maturities/issues; EBITDA and interest payable for the 12 months to 31 December 2014; DSCRs calculated on a pro forma basis as at 31 December 2014, the values do not necessarily correspond to a calculation date under the relevant debt documents.
2. Gross debt, cash and net debt amounts are presented on a 100% consolidated APRR, AREA and Eiffarie basis. Eiffarie gross debt excludes swaps mark to market of €510.6m; calculations as per debt documents.
3. Excludes interest income from "Net Toll Revenues" and includes both principal and interest on outstanding bonds payable in "Total Debt Service" as per the bond indenture.
4. Interest includes senior debt service and wrap fees only.

3.2 Debt Rating of Assets

Table 14 – Debt ratings of assets

Asset	Rating	Rating Agency	Rating since
APRR[1]	BBB+	Standard and Poor's	November 2014
	BBB+	Fitch	October 2012
Dulles Greenway[2]	BBB-	Standard and Poor's	September 2009
	Ba2	Moody's	December 2013
	BB+	Fitch	April 2013
Chicago Skyway[3]	AA	Standard and Poor's	March 2014
	A2	Moody's	January 2013

1. Reflects corporate rating.
2. 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 AA- and A3 by S&P and Moody's respectively. Changes to the debt rating of NPFGC do not affect the cost of Dulles Greenway debt.
3. Reflects credit insurer rating. These are the latest ratings for Assured Guaranty Municipal Corp, which has insured Skyway's senior bonds.

The debt of Warnow Tunnel is not rated.

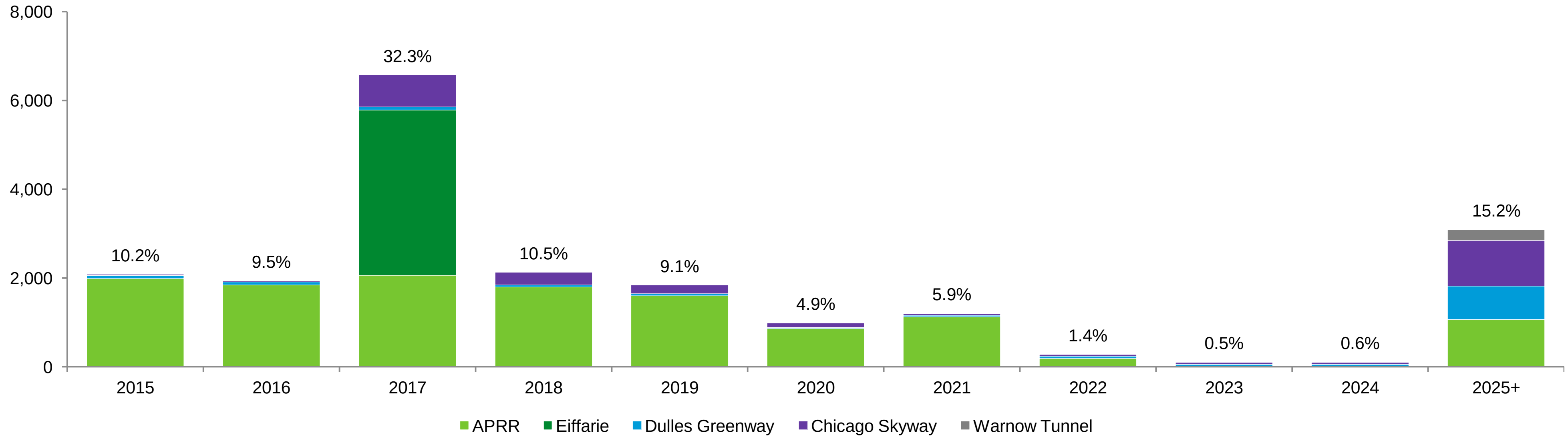
3.3 Debt Maturity Profile of Assets

Table 15 – Debt maturity profile of assets[1]

Assets	Currency	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025+
APRR/Eiffarie	€m	1,341.2	1,242.8	3,906.3	1,211.0	1,079.2	579.4	762.4	125.2	5.0	5.3	717.5
Dulles Greenway	US$m	58.5	55.8	52.7	40.5	38.9	20.4	23.8	40.9	38.8	36.7	618.2
Chicago Skyway	US$m	19.6	21.5	591.0	233.3	159.1	84.7	35.0	35.0	37.5	40.0	837.8
Warnow Tunnel	€m	2.8	2.8	3.1	2.9	4.4	4.7	4.9	5.5	5.5	7.3	167.9

1. The debt maturity profile reflects 100% of the debt balances of road assets as at 31 December 2014 (excluding future capitalised interest, embedded accretion and mark to market on step-up swaps) based on the legal maturity of each tranche. The proportionate net debt level of the road assets is ~A$3.9bn.

Figure 14 – Debt maturity profile at 31 December 2014 (100% debt at each asset) (A$m)



The debt maturity profile reflects 100% of the debt balances of road assets as at 31 December 2014 (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 2014 is 5.0 years (30 June 2014: 4.2 years). As at 26 February 2015, following the Eiffarie refinancing, the average debt maturity is 5.6 years (refer Section 2.2.5).

3.4 DSCR Calculation Methodology

APRR/Eiffarie

The Consolidated DSCR test defined in the debt documents applicable at 31 December 2014 is DSCR = Total CFADS / Total debt service

- APRR CFADS = APRR's EBITDA +/- changes in working capital - capex not funded by debt - tax paid by APRR + dividends received (other than from consolidated subsidiaries and project companies).
- Total CFADS = APRR CFADS + tax received by Eiffarie and proceeds of shareholder tax loans - tax paid by Eiffarie - Eiffarie opex.
- APRR debt service = net interest paid + monoline fees + fees and net hedge payments - fees payable to any lender under RCF on or about the Closing Date.
- Eiffarie debt service = net interest paid + monoline fees + fees and net hedge payments - fees payable to any lender on the Closing Date.
- Total debt service = APRR debt service + Eiffarie debt service.

Dulles Greenway

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 amount.

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 in the most recent approved budget for capital expenditure.
- Operating Reserve Requirement = 50% of the amount in the most recently approved budget for all current expenses.

Both ratios are tested annually at 31 December.

Table 16 – Dulles Greenway Distribution tests worked example as at year ended December

US$	Actual 2014	Actual 2013
Toll Revenues	78,467,069	74,559,680
Operating Expenses	(15,893,842)	(16,069,001)
Net Toll Revenues (Minimum Coverage Ratio)	**62,573,227**	**58,490,679**
Improvement Fund Drawdowns	2,719,261	1,587,012
Operating Reserve Drawdowns	103,327	167,785
Net Toll Revenues (Additional Coverage Ratio)	**59,750,639**	**56,735,882**
1999A	2,493,750	2,493,750
1999B	32,900,000	31,000,000
2005A	22,100,000	20,200,000
2005B/2005C	-	-
Total Debt Service[1]	**57,493,750**	**53,693,750**
Minimum Coverage Ratio – 1.25x	**1.09**	**1.09**
Additional Coverage Ratio – 1.15x	**1.04**	**1.06**

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.

Appendices

Appendix 1 – Summary of Significant Policies

The significant policies which have been adopted by the MQA boards and used in the preparation of Sections 1, 2 and 3 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.

Proportionate EBITDA

Current and prior period Proportionate EBITDA 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 Interests. It is calculated as operating assets' revenues less operating assets' expenses.

Proportionate EBITDA information for pcp is also disclosed under a pro forma approach. The pro forma information is derived by restating the prior period results with the operating assets ownership percentages and foreign currency exchange rates from the current period ("Pro forma Results"). Pro forma 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' refers to movements under the pro forma approach.

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

Beneficial Interest

MQA's Beneficial Interest in an asset reflects its economic interest in the results of that assets' ongoing operations. When MQA changes its ownership in an asset (ie sold/bought), it is calculated according to the number of days in the reporting period during which the Group held a Beneficial Interest.

The Beneficial Interests of the Group in the roads used in the calculation of Proportionate EBITDA for the year ended 31 December 2014 and the year ended 31 December 2013 are as set out below.

Table 17 – Beneficial Interest

Beneficial Interest for:	Year ended 31 Dec 14	Year ended 31 Dec 13
APRR	19.74%[1]	19.44%
Dulles Greenway[2]	50.00%	50.00%
Chicago Skyway	22.50%	22.50%
Warnow Tunnel	70.00%	70.00%

1. On 29 July 2014, MQA's economic interest in APRR increased from 19.44% to 20.14%. Figure represents MQA's Beneficial Interest average over the year.
2. Reflects estimated economic interest.

Foreign exchange rates

All Proportionate EBITDA information contained in this Report is disclosed in Australian dollars unless stated otherwise. In deriving Australia Dollar income for the purpose of proportionate EBITDA, the Group applies quarterly average exchange rates to all foreign income and expenses in the relevant quarter. Under the pro forma 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.

Table 18 – Spot and average foreign exchange rates

	Spot foreign exchange rates[1]	Quarter ended average foreign exchange rates			
	As at 31 Dec 14	31 Mar 14	30 Jun 14	30 Sep 14	31 Dec 14
Euro	0.6750	0.6546	0.6803	0.6982	0.6843
Pound Sterling	0.5244	0.5419	0.5543	0.5540	0.5398
United States Dollar	0.8167	0.8968	0.9331	0.9249	0.8542

1. The spot exchange rates in this table are the exchange rates that have been applied to the translations of proportionate net debt as at 31 December 2014.

Operating revenue

Asset revenue is calculated by aggregating the product of the Beneficial Interest and the total revenue of each road asset. Revenue is recognised under the local Generally Accepted Accounting Principles ("GAAP") applicable to each asset.

Operating expenses

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

Corporate net interest income

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

- either of the stapled entities; and
- entities interposed between either of the stapled entities and the operator companies which either earn interest income or 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 expenses

Corporate expenses reflect the aggregation of:

- all expenses paid by the Group, including base management fees and performance fee instalments which became payable in the period;
- 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.

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.

Net Debt

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 year. 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. Indiana Toll Road), an effective interest rate for the swap is calculated (representing the fixed rate that would have applied if the swap had no step-up). 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.

Appendix 2 – Reconciliation To Statutory Accounts

Table 19 – Overview

The table below summarises the key differences between the basis of preparation of this Report and the MQA Financial Report which is prepared in accordance with Australian Accounting Standards.

Statutory result for the year	Proportionally consolidated financial performance
Non-controlled toll road assets results included in share of profits/losses from associates adjusted for: • purchase price allocations which results in additional toll concession authorisation; and • fair value movements on asset level interest rate swaps which must be taken through the income statement, even though they may be taken through reserves (accounted for as effective cash flow hedges) at the non-controlled asset level. Profits/losses of associates are brought to account only to the extent that the investment carrying value is above $nil.	Aggregation of operating results of proportionate interests in toll road assets.

Table 20 – Reconciliation – Statutory Results to Proportionate EBITDA

A$m	Year ended 31 Dec 14	Year ended 31 Dec 13
(Loss)/Profit attributable to MQA security holders	**(50.6)**	**1,423.5**
M6 Toll related adjustments included within profit/(loss) from deconsolidated operations[1]	-	(1,381.5)
Non-controlled investment adjustments:		
Share of net gain of associates	(31.2)	(64.5)
Proportionate EBITDA from non-controlled assets	499.8	489.7
MQA corporate level adjustments:		
Performance fees	58.2	-
Manager's and Adviser's base fees	22.9	20.0
Corporate net revenue	(2.1)	(0.4)
Corporate net expenses	2.7	3.5
Net foreign exchange gain	(0.0)	(0.5)
EBITDA from road assets	**499.8**	**489.7**

1. Statutory results include the M6 Toll for the 5 months up to the date of deconsolidation on 4 June 2013.

Table 21 – Reconciliation – Statutory to MIR operating cash flows

A$m	Year ended 31 Dec 14	Year ended 31 Dec 13
Net statutory operating cash flows	**(24.6)**	**10.9**
M6 Toll related adjustments	-	(28.3)
Other items:		
Preferred equity return from APRR	96.6	48.3
Net operating cash flows (per MIR)	**72.1**	**30.9**

Appendix 3 – Traffic and Toll Revenue Performance

Table 22 – Traffic and Toll Revenue performance vs pcp

Asset	Year to 2014	Year to 2013	Change vs pcp	Quarter vs pcp			
				Mar 14	Jun 14	Sep 14	Dec 14
APRR							
Light Vehicle VKT (millions)	18,423	18,126	1.6%	0.5%	3.2%	0.6%	2.6%
Heavy Vehicle VKT (millions)	3,237	3,190	1.5%	1.9%	2.4%	1.2%	0.4%
Total VKT (millions)	21,660	21,315	1.6%	0.7%	3.1%	0.7%	2.2%
Toll Revenue (€m)	2,082	2,028	2.6%	2.2%	3.9%	1.8%	2.7%
Dulles Greenway							
Av All Day Traffic	48,443	47,053	3.0%	(0.4%)	3.8%	3.6%	4.5%
Av Daily Toll Rev (US$)	214,978	204,273	5.2%	(0.3%)	6.5%	6.6%	7.6%
Chicago Skyway							
Av All Day Traffic	41,332	41,249	0.2%	(5.2%)	1.7%	0.6%	2.7%
Av Daily Toll Rev (US$)	220,405	218,138	1.0%	(3.1%)	1.8%	2.3%	2.3%
Warnow Tunnel							
Av All Day Traffic	10,917	10,738	1.7%	10.6%	(2.2%)	(1.3%)	1.9%
Av Daily Toll Rev (€)	25,861	24,753	4.5%	14.6%	1.0%	1.2%	4.3%
Portfolio Average[1]							
Weighted Av Traffic			1.7%	0.6%	3.0%	0.8%	2.4%
Weighted Av Toll Revenue			2.8%	2.0%	4.0%	2.1%	3.0%

1. Excludes ITR.