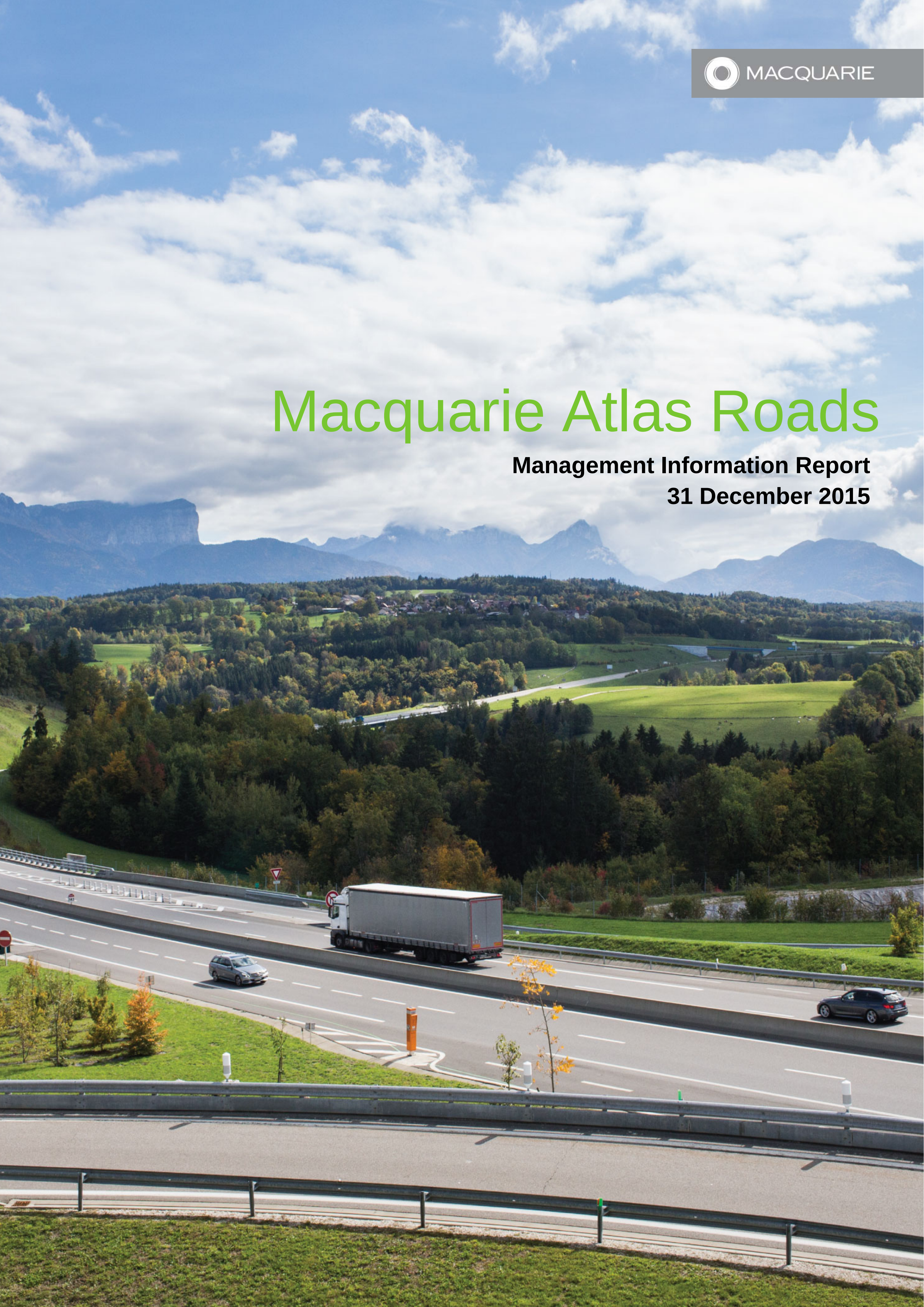


MACQUARIE

Macquarie Atlas Roads

Management Information Report
31 December 2015

Disclaimer

Macquarie Atlas Roads ("MQA") comprises Macquarie Atlas Roads International Limited (Registration No. 43828) ("MARIL") and Macquarie Atlas Roads Limited (ACN 141 075 201) ("MARL"). MARIL is an exempted mutual fund company incorporated and domiciled in Bermuda with limited liability and the registered office is The Belvedere Building, 69 Pitts Bay Road, Pembroke HM08, Bermuda. MARL is a company limited by shares incorporated and domiciled in Australia and the registered office is Level 7, 50 Martin Place, Sydney, NSW 2000, Australia. Macquarie Fund Advisers Pty Limited (ACN 127 735 960) (AFS License No.318123) ("MFA") is the adviser/manager of MARIL and MARL. MFA is a wholly owned subsidiary of Macquarie Group Limited (ACN 122 169 279) ("MGL").

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

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

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

Any arithmetic inconsistencies are due to rounding.

Table of contents

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 2015. This Report provides a detailed analysis of the underlying performance of each 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 2015 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 reconciliation between the results presented in this Report and the Financial Report.

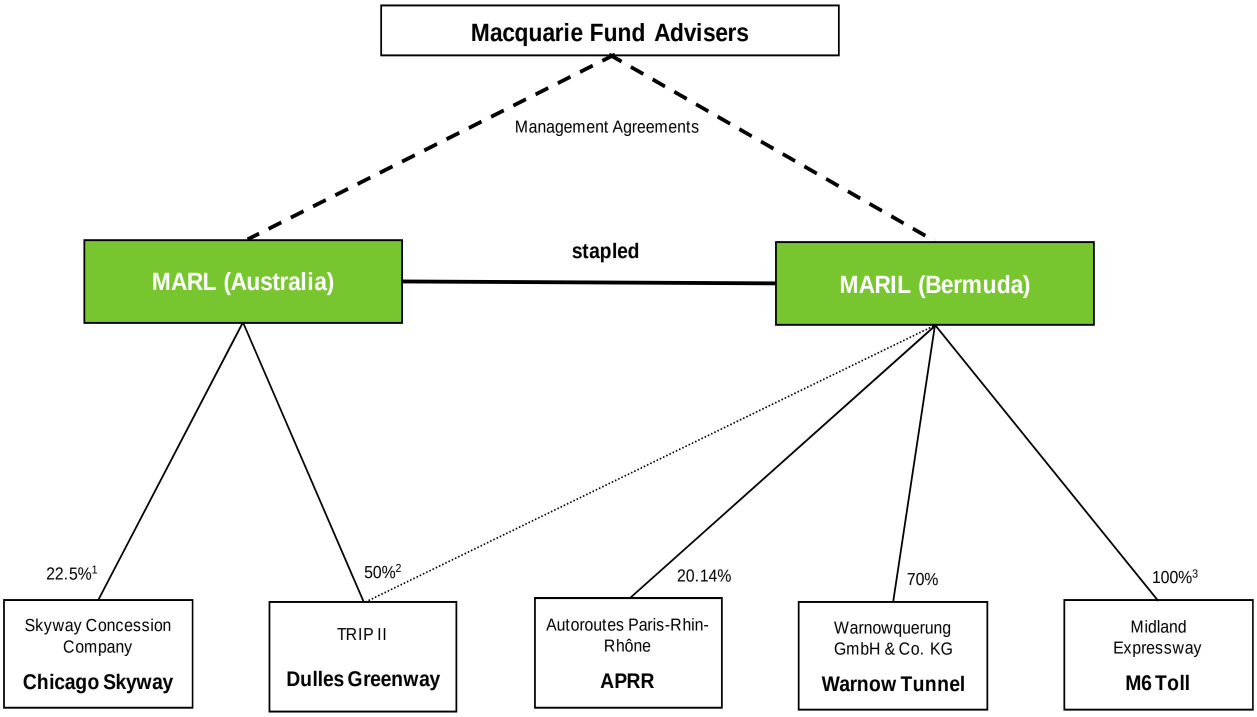
This Report presents a number of metrics prepared on a proportionate basis which involves the aggregation of the Group's proportionate interest in the financial results of assets. Proportionate EBITDA information presented aggregates the financial results of MQA's assets in the relevant proportions that MQA holds beneficial interests. Proportionate EBITDA excludes non-cash items which are not reflective of cash outflows in the current reporting period. Proportionate EBITDA information for the prior corresponding period ("pcp") is also disclosed under a pro forma approach. The pro forma information is derived by restating the prior period results with the asset ownership percentage and foreign currency exchange rates from the current period.

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 2015 (unless otherwise stated). All assets are non-controlled assets for accounting purposes.

Figure 1 – Structure at 31 December 2015



Information in the MIR is presented on an aggregated basis, reflecting MQA's structure at 31 December 2015 (unless otherwise stated).

Asset portfolio

Table 1 – MQA's portfolio of assets and percentage interests as at 31 December 2015

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

1. MQA holds a 22.5% interest in Chicago Skyway, however a contract of sale was executed in November 2015. Financial close anticipated by the end of February 2016. Refer Section 2.5.1 (page 20).
2. Estimated overall economic interest.
3. MQA holds 100% of the ordinary equity in M6 Toll, however the beneficial interest is 0% as MQA is no longer exposed to any variable returns from M6 Toll's ongoing operations. Refer Section 2.5.3 (page 20).
4. Reflects initial acquisition by Macquarie Infrastructure Group ("MIG"). These assets were acquired by MQA on demerger from MIG in 2010.

1

Traffic and MQA financial performance

1. Traffic and MQA financial performance

1.1 Traffic and proportionate financial performance summary – Assets

Table 2 – Traffic growth and proportionate EBITDA from assets for year ended 31 December

A$m	Actual year ended 31 Dec 15	Pro Forma year ended 31 Dec 14 [2]	Change vs pcp [3]	Actual year ended 31 Dec 14 [4]
Traffic growth on pcp [1]	n/a	n/a	2.9%	n/a
Proportionate revenue	727.2	702.9	3.5%	697.3
Proportionate operating expenses	(203.4)	(201.4)	(1.0%)	(197.5)
Proportionate EBITDA from assets	**523.7**	**501.4**	**4.4%**	**499.8**
EBITDA margin (%)	72.0%	71.3%	0.7%	71.7%

1. Weighted average based on portfolio revenue allocation.
2. Pro forma information is derived by restating the prior period results with the asset ownership percentage and foreign currency exchange rates from the current period.
3. Positive number reflects an improvement.
4. Actual data reflects ownership interests and foreign exchange rates for the year ended 31 December 2014.

Weighted average traffic for the year ended 31 December 2015 (the "period") was 2.9% higher than pcp. Overall traffic performance during the period was driven by increased traffic volumes on the APRR network and strong performance at Dulles Greenway.

Proportionate EBITDA for the year ended 31 December 2015 increased compared to pro forma pcp reflecting a combination of higher traffic levels and revised toll schedules. The increase in operating expenses includes a US accounting standard change regarding the recognition of project improvement expenses at Dulles Greenway (Topic 853). See section 2.3 for further details.

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 assets is included in Section 2.

1.2 Financial performance summary – Corporate cash position

Table 3 – Aggregated cash flow statement

A$m	Year ended 31 Dec 15	Year ended 31 Dec 14
Cash flow received from assets		
APRR	130.3	96.6
Indiana Toll Road ("ITR")	32.3	-
M6 Toll	1.5	0.8
Warnow Tunnel	0.3[1]	-
Total cash flow received from assets	**164.4**	**97.4**
Other operating cash flows		
Manager and adviser base fees paid	(24.7)	(23.2)
Manager and adviser performance fees paid[2]	-	-
Payments to suppliers	(3.5)	(2.9)
Interest income on corporate cash balances	0.7	0.7
Other net amounts received	0.2	0.2
Estimated Alternate Minimum Tax ("AMT") paid on proceeds from ITR	(16.2)	-
Net MQA operating cash flows	**120.8**	**72.1**
Investing and financing cash flows		
Proceeds from issue of securities	-	60.0
Transaction costs on issue of securities	-	(0.7)
Payments for investments (including transaction costs)	(3.8)	(52.7)
Distributions paid	(82.4)	(66.3)
Total investing and financing cash flows	**(86.2)**	**(59.7)**
Net increase in cash assets	**34.6**	**12.3**
Cash assets at beginning of the year	**31.9**	**19.5**
Exchange rate movements	**0.7**	**0.1**
Cash assets at the end of the year	**67.2**	**31.9**
Comprising: Available cash	65.4	30.1
Cash not currently available for use	1.8	1.8

1. Warnow Tunnel services fees received for the first time in 2015.
2. Reinvested in MQA securities.

1.2.1 Cash flow and cash position

Cash assets include cash not currently available for use by MQA of €1.2m. 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 Contingent consideration paid for APRR

MQA has paid contingent consideration (relating to the July 2014 acquisition of an additional 0.71% indirect interest in APRR) of €2.4m on 6 October 2015.

1.2.3 Corporate net interest income

Corporate net interest income totalled A$0.7m for the year ended 31 December 2015 (2014: A$0.7m). The average cash balance during the period was A$46.6m (2014: A$30.6m).

1.2.4 Corporate expenses

Base management fees paid in the current period totalled A$24.7m, increasing from A$23.2m in the year ended 31 December 2014. Tax paid during the year consisted primarily of estimated AMT of US$12.6m paid on receipt of sales proceeds from ITR. The full amount was repaid to MQA on 29 January 2016 as an adjustment to the preliminary estimated AMT.

The second instalment of the 2014 performance fee (A$19.4m) became payable at 30 June 2015. MQA's manager/adviser, Macquarie Fund Advisers Pty Limited ("MFA"), and MQA's independent directors agreed that MFA would apply this instalment to a subscription for MQA securities, which were issued on 2 July 2015.

Corporate net expenses paid, other than base management and performance fees, totalled A$3.5m for the year ended 31 December 2015 (2014: A$2.9m).

1.2.5 Distribution

On 17 March 2015, MQA declared a distribution of 6.0 cents per MQA security ("cps") for the first half of 2015. This distribution was paid in full by MARIL on 31 March 2015. The distribution comprised 4.7 cps as a capital return for Australian tax purposes and the remaining 1.3 cps as a foreign dividend.

On 15 September 2015, MQA declared a distribution of 10.0 cps for the second half of 2015. This distribution was also paid in full by MARIL on 30 September 2015. The distribution comprised 9.3 cps as a capital return for Australian tax purposes and the remaining 0.7 cps as a foreign dividend.

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

The following provides a historical summary of distributions paid:

Figure 2 – Distributions A$ cps

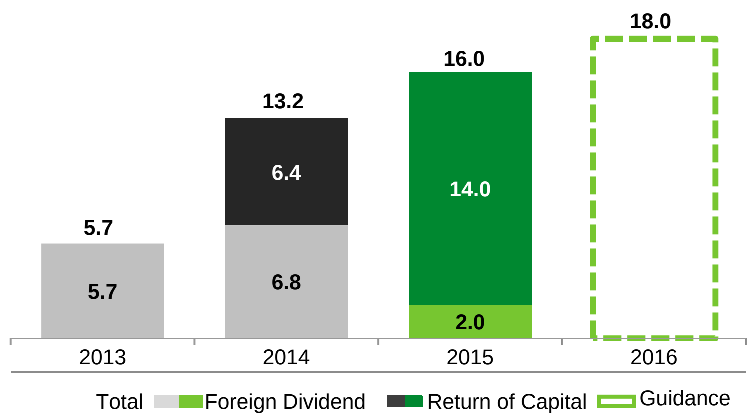


Table 4 – Distributions paid

A$ cps	Return of capital	Foreign dividend	Total
Distribution per security paid on 30 September 2015	9.3	0.7	**10.0**
Distribution per security paid on 31 March 2015	4.7	1.3	**6.0**
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. Section 2.1 represents the Group's proportionate share of the assets in Australian dollars. Sections 2.2 to 2.4 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 5 – Traffic and Toll Revenue Analysis

	APRR	Dulles Greenway	Warnow Tunnel
Traffic metric	Total VKT[1]	Average daily traffic	Average daily traffic
Year ended 31 December 2015			
Traffic growth on pcp	2.7%	5.4%	4.0%
Toll revenue growth on pcp[2]	3.1%	8.0%	6.8%

1. Measured as total vehicle kilometres travelled ("VKT").
2. Excludes other revenue.

Table 6 – Proportionate EBITDA

A$m	APRR/Eiffarie[1]	Dulles Greenway[2]	Warnow Tunnel	Total
Actual year ended 31 December 2015				
Operating revenue	659.8	56.8	10.6	727.2
Operating expenses	(187.4)	(12.6)[2]	(3.4)	(203.4)
EBITDA from assets	**472.4**	**44.1**	**7.2**	**523.7**
Pro forma year ended 31 December 2014[3]				
Operating revenue	640.5	52.6	9.8	702.9
Operating expenses	(187.7)	(10.6)	(3.1)	(201.4)
EBITDA from assets	**452.8**	**42.0**	**6.7**	**501.4**
Change vs pcp[4,5]				
Operating revenue	3.0%	8.0%	7.9%	3.5%
Operating expenses	0.2%	(19.5%)[2]	(8.4%)	(1.0%)
EBITDA from assets	**4.3%**	**5.1%**	**7.7%**	**4.4%**

1. Figures represent a consolidation of APRR and Eiffarie/Financière Eiffarie ("FE"). APRR group information is provided in Section 2.2.1.
2. The operating expenses increase includes a US accounting standards change in the recognition of project improvement expenses at Dulles Greenway (Topic 853 Service Concession Arrangements). See section 2.3 for further details.
3. Data for 31 December 2014 is derived by restating the prior period results with the asset ownership percentage and foreign currency exchange rates from the current period.
4. Based on AUD figures presented. There may be differences when calculated in natural currency.
5. Positive number reflects an improvement.

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

2.2.1 Traffic

Table 7 – APRR traffic performance

Vehicle kilometres travelled (millions)	Year ended 31 Dec 15	Year ended 31 Dec 14	Change vs pcp
Light vehicles	18,906	18,423	2.6%
Heavy vehicles	3,330	3,237	2.9%
Total	**22,236**	**21,660**	**2.7%**
Workdays in period	252	251	+1
Non-workdays in period	113	114	-1

Light vehicle and heavy vehicle traffic was up 2.6% and 2.9% respectively during the year, consistent with an improvement in the economic environment in France.

Figure 3 – Light vehicle traffic growth vs pcp

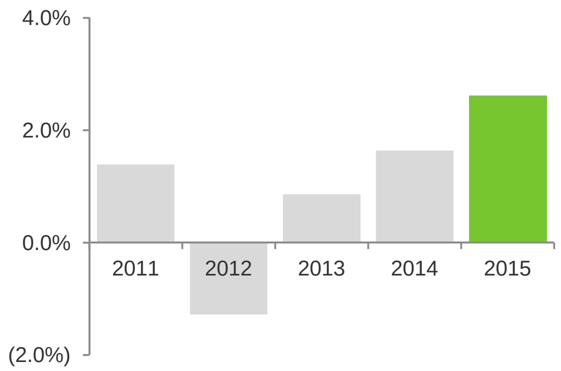
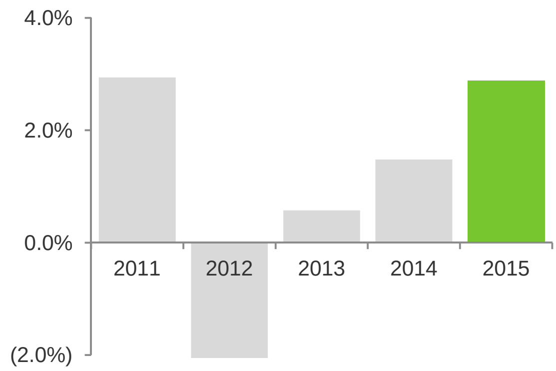


Figure 4 – Heavy vehicle traffic growth vs pcp



2.2.2 Financial performance

Figure 5 – APRR quarterly traffic performance (VKTm)

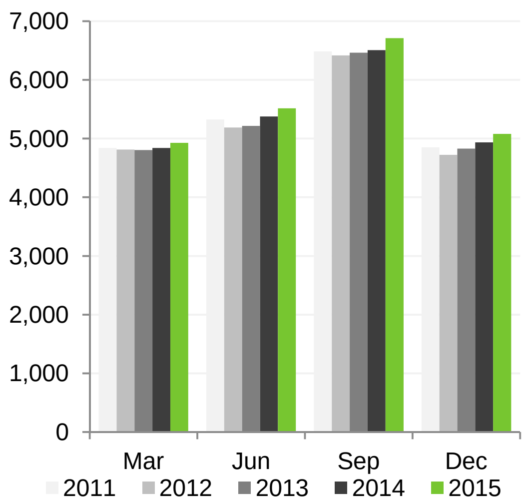
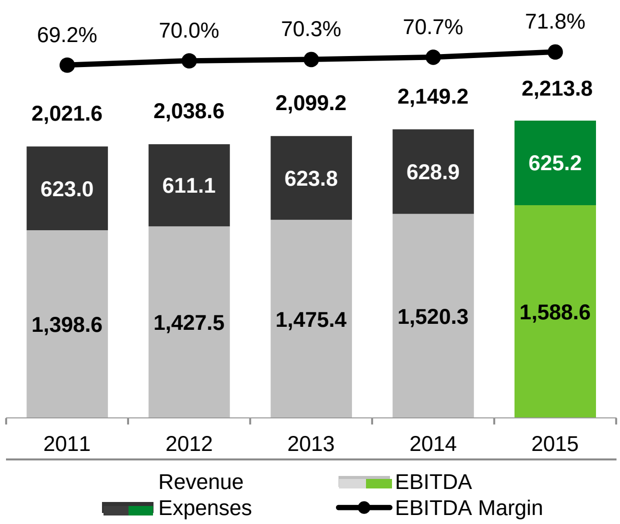


Figure 6 – APRR EBITDA and revenue (€m)[1] year ended 31 December



1. Results represent performance of the APRR Group. On a consolidated APRR and Eiffarie/FE basis, 2015 EBITDA was €1,587.5m. The difference results from €1.1m of operating expenses at the Eiffarie/FE level.

Table 8 – Revenue

	Year ended 31 December				
€m	2011	2012	2013	2014	2015
Toll revenue	1,961.0	1,971.1	2,028.2	2,081.5	2,145.6
Other revenue	60.6	67.5	71.0	67.7	68.2
Total revenue	**2,021.6**	**2,038.6**	**2,099.2**	**2,149.2**	**2,213.8**

Consolidated revenues totalled €2,213.8m for 2015, up 3.0% from pcp. The increase in revenue was primarily due to higher toll revenues (up 3.1% compared to pcp), driven by traffic growth and favourable traffic mix resulting in higher average tolls.

Table 9 – Operating expenses

	Year ended 31 December				
€m	2011	2012	2013	2014	2015
Employment costs	(218.7)	(220.4)	(217.3)	(219.6)	(214.2)
Tax (other than income tax)	(264.4)	(258.2)	(274.6)	(291.7)	(301.1)
Purchases, external charges and other (ex IFRIC 12)	(140.0)	(132.5)	(131.9)	(117.7)	(109.9)
APRR operating expenses[1]	**(623.0)**	**(611.1)**	**(623.8)**	**(628.9)**	**(625.2)**
Eiffarie/FE operating expenses	(3.2)	(1.7)	(1.0)	(1.0)	(1.1)

1. Excludes provisions.

Employment costs were slightly lower than pcp due to lower headcount. Operational taxes were higher than pcp due to higher traffic, higher revenues and extensions of the network. Purchases and external charges were down versus pcp primarily due to overall lower infrastructure maintenance cost.

Table 10 – Interest, tax, depreciation and amortisation

	Year ended 31 December				
€m	2011	2012	2013	2014	2015
APRR interest income[1]	11.0	18.0	16.1	22.9	13.1
APRR interest expense[1]	(350.3)	(393.7)	(351.1)	(345.6)	(291.7)
Eiffarie net interest	(150.8)	(183.7)	(223.7)	(237.6)	(180.2)
APRR current income tax expense	(240.3)	(258.6)	(287.1)	(341.5)	(357.9)
Tax grouping	177.9	173.6	205.0	253.2	182.3
Group current income tax payable	**(62.4)**	**(85.0)**	**(82.1)**	**(88.3)**	**(175.6)**
APRR depreciation and amortisation[1]	(383.1)	(387.7)	(394.5)	(404.3)	(405.1)

1. As per APRR published financial statements.

The lower interest income for the year ended 31 December 2015 compared to pcp reflects the slightly lower average cash levels during the period, whereas the decrease in APRR interest expense for the period compared to pcp reflects the lower cost of debt as a result of the recent refinancings and current debt market conditions. Eiffarie net interest reflects the benefit of the February 2015 refinancing.

Since 1 January 2011, FE and Eiffarie have been grouped with APRR for tax purposes. Current period deductions from FE/Eiffarie are offset against APRR taxable income in the period. Historic carried forward losses have been fully utilised during 2015. The higher group current income tax payable is due to the full utilisation of these historic losses and higher profit before tax.

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. This increase has been offset in the current year by a decrease in the amortisation rate due to the extension of the concessions.

2.2.3 Cash interest paid

APRR interest paid for the year ended 31 December 2015 was €356.3m (net interest paid was €339.4m) compared to pcp of €348.0m (net interest paid was €336.5m).

2.2.4 Operational initiatives

The number of active Liber-t badges managed by APRR/AREA increased by 14.9% over the last twelve months, with ~2.0m active badges now in circulation. Electronic toll collection accounted for 54.3% of all transactions in the year ended 31 December 2015 compared to 52.7% in the year ended 31 December 2014. Automated transactions (comprising electronic and credit card transactions) made up 96.3% of all transactions in the year ended 31 December 2015 (2014: 95.1%).

2.2.5 Financing and debt

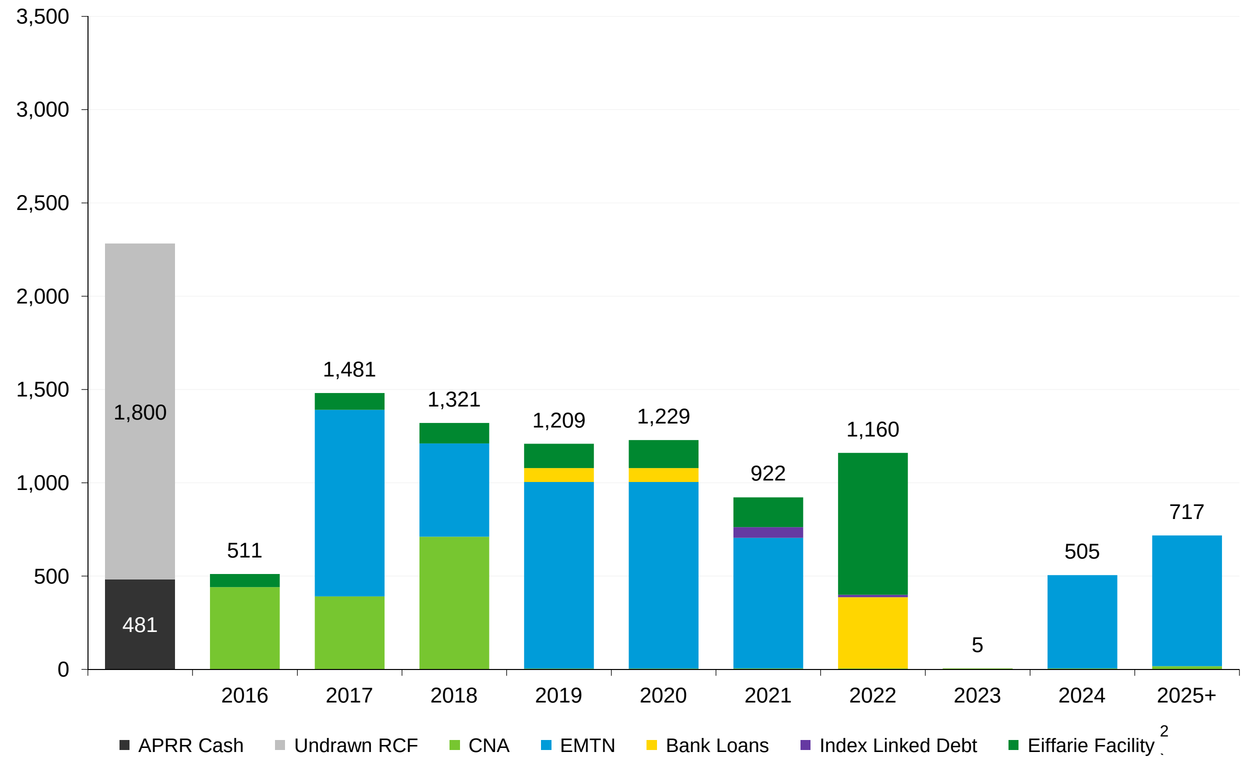
Table 11 – Debt metrics[1]

€m	Gross debt	Cash	Net debt	Net debt/ EBITDA	EBITDA/ interest	DSCR	Lock-up	Hedging
APRR/Eiffarie[2]	10,196.8	1,492.0	8,704.8	5.48x	n/a	n/a	n/a	98.8%
- APRR	8,726.8	1,281.2	7,445.5	4.69x	5.78x	n/a	n/a	n/a
- Eiffarie	1,470.0	210.8	1,259.2	n/a	n/a	n/a	n/a	n/a

1. Using cash/debt balances as at 31 December 2015. Hedging % reflects the proportion of debt outstanding as at 31 December 2015 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 2015.
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 €381.0m; calculations as per debt documents.

The chart below presents a pro forma debt maturity profile and liquidity position for the APRR/Eiffarie group.

Figure 7 – APRR/Eiffarie pro forma debt maturity profile at 31 December 2015 (€m)[1]



1. The cash and debt balances have been adjusted to reflect the EMTN maturity in January 2016. Excludes short term debt, interest accrued and mark to market on swaps (€0.3bn) at APRR.
2. Assumes 7yr maturity (6yr plus 1yr extension) for Eiffarie term loan.

Table 12 – Debt ratings of APRR

Rating[1]	Rating agency	Rating since
BBB+	Standard and Poor's	November 2014
BBB+	Fitch	October 2012

1. Reflects corporate rating.

APRR

In June 2015, APRR signed a €275m loan facility with European Investment Bank, of which €170m was drawn in June 2015 at a margin of 36.0 bps over 6-month Euribor and has a maturity of June 2022. The remaining €105m was drawn in December 2015 at a margin of 44.1 bps over 6-month Euribor and has a maturity of December 2022.

On 28 October 2015, APRR issued an additional €500m of bonds under its Euro Medium Term Note ("EMTN") program. The bonds were issued at 99.445% of par with a coupon of 1.50% and a maturity of January 2024.

On 10 November 2015, APRR issued an additional €500m of floating rate notes under its EMTN program. The bonds were issued at 99.695% of par with a margin of 70.0 bps over 3-month Euribor and a maturity of 3 January 2020.

As at 31 December 2015, APRR's liquidity consisted of €1.3bn cash and a €1.8bn Revolving Credit Facility ("RCF") which was signed on 19 February 2015 replacing its undrawn €720m credit facility.

APRR has approximately €8.7bn of gross debt as at 31 December 2015 (including €0.3bn of short term debt, accrued interest and other adjustments). The main debt facilities are as follows:

- €6.3bn of public bonds issued under APRR's EMTN programme of which €1.3bn consists of floating rate notes and €57m consists of index-linked bonds. APRR can continue to issue further bonds under this programme as required;
- €1.6bn provided by Caisse Nationale des Autoroutes ("CNA"). Prior to the 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 predominantly fixed rate and will be materially amortised by 2018; and
- €525m from the European Investment Bank.

Eiffarie

On 19 February 2015, Eiffarie signed €1.5bn five-year term loan (plus two extensions of one year each) with a syndicate of 18 international banks. Post year-end in January 2016, the first extension was utilised, hence maturity is currently February 2021. See below a summary of the key terms achieved.

Table 13 – Eiffarie debt terms

Item	Terms
Facility Amount	€1,470m as of 31 December 2015
Maturity	February 2021, with one additional extension available of one year
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 €2.5bn debt facility, which was due to mature in February 2017.

As at 31 December 2015, Eiffarie's cash balance totalled €210.8m.

2.2.6 Other

Following the in-principle agreement with the French State reached in April 2015, APRR and AREA have formalised the agreement by way of amendments to their respective concession contracts on 23 August 2015.

Significant measures include:

- Compensation for 2013 land tax increase via supplemental toll increases in 2016 to 2018;
- Compensation for 2015 toll freeze via supplemental toll increases in 2019 to 2023;
- Stimulus package for ~€720m capital investment plan in exchange of extension of APRR concession by two years one month (to 31 January 2035) and AREA concession by three years nine months (to 30 September 2036);
- Improvement of protection against future adverse changes to motorway-specific taxes (Article 32); and
- In the event of future material outperformance, revenue caps may apply.

In addition, the amendments also provide for APRR to contribute to French infrastructure investment an average of ~€15-16m annually (indexed), and to invest ~€50m into a green transportation fund.

Post year end, on 31 January 2016, the APRR concession contract was further amended. The Tunnel Maurice Lemaire ("TML") concession was merged with the main APRR concession and TML's tolling schedule was reduced. As a consequence, the APRR concession maturity was extended by an additional 10 months to 30 November 2035. Prior to this amendment, the APRR Group owned the TML concession which had a concession expiry of 2068. AREA's concession contract remains unchanged with a maturity of 30 September 2036.

2.3 Dulles Greenway – Virginia, US

2.3.1 Traffic

Table 14 – Dulles Greenway traffic performance

Average daily traffic	Year ended 31 Dec 15	Year ended 31 Dec 14	Change vs pcp
Average workday trips	59,287	56,491	5.0%
Weekends/public holidays	32,694	30,725	6.4%
All days	51,054	48,443	5.4%
Non-cash transactions	92.3%	91.7%	0.6%
Workdays in period	252	251	+1
Non-workdays in period	113	114	-1

Average daily traffic increased by 5.4% on pcp as a result of continued corridor population growth and development as well as higher off-peak growth trends.

Traffic volumes on the adjoining Dulles Toll Road ("DTR") increased by 1.7% on pcp.

2.3.2 Financial performance

Figure 8 – Dulles Greenway quarterly traffic performance (ADT)

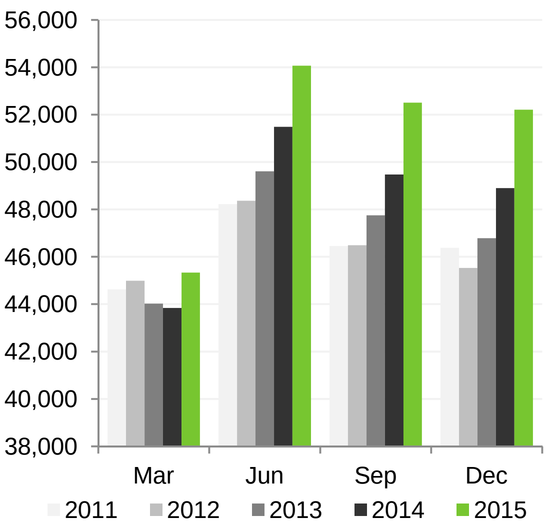
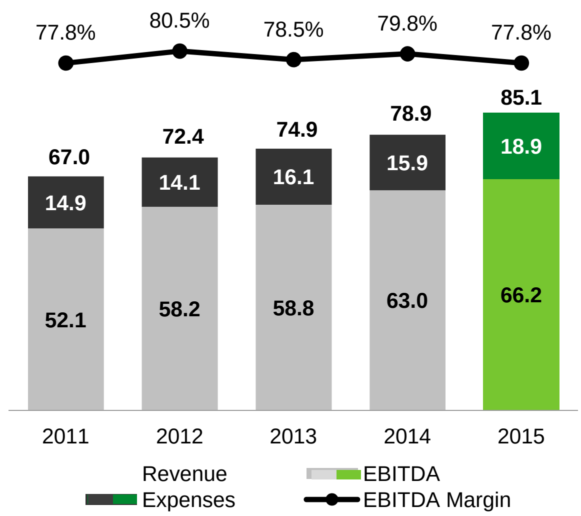


Figure 9 – Dulles Greenway EBITDA and revenue (US$m), year ended 31 December



Revenue for the year ended 31 December 2015 increased by 7.9% compared to pcp, reflecting higher traffic and the impact of toll increases. On 4 March 2015, tolls on the Greenway increased from US$5.10 to US$5.20 for peak period car tolls and from US$4.20 to US$4.30 for off-peak car tolls.

The increase in operating expenses includes an uplift of US$2.0m due to a US accounting standard change regarding the recognition of project improvement expenses (Topic 853 Service Concession Arrangements). Expenses also increased due to a step-up in VDOT fees and higher property taxes.

EBITDA for the year ended 31 December 2015 increased by 5.1% compared to pcp.

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 2015 was US$36.1m compared to pcp of US$32.4m.

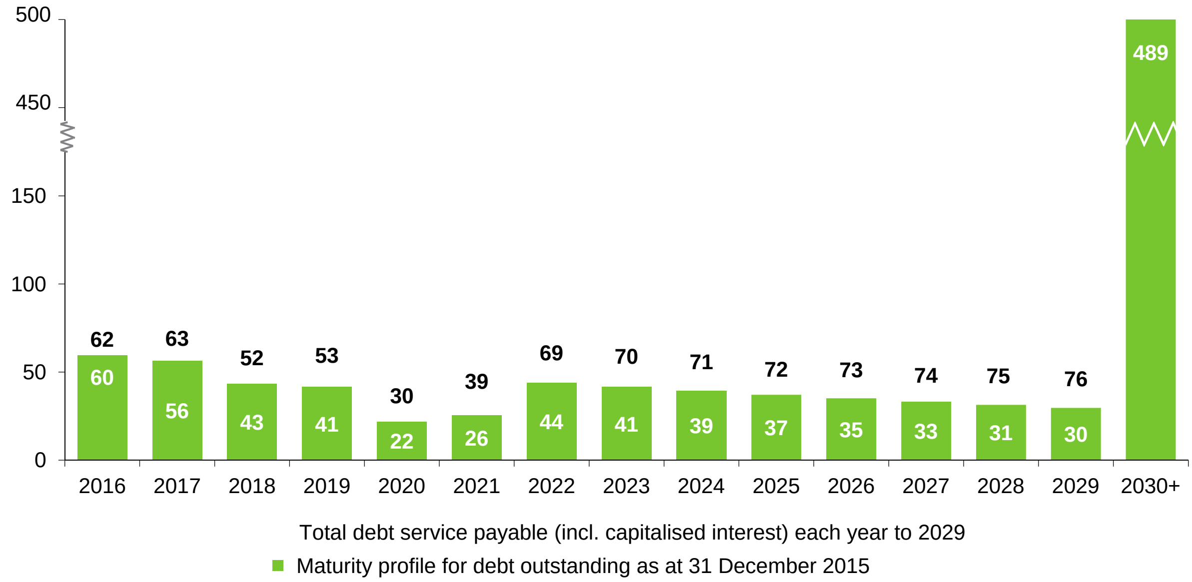
2.3.4 Financing and debt

Table 15 – Debt metrics[1]

US$m	Gross debt	Cash	Net debt	Net debt/ EBITDA	EBITDA/ interest	DSCR	Lock-up	Hedging
Dulles Greenway	1,027.3	162.9	864.4	13.05x	1.83x	1.10x[2,3]	1.25x[3]	100.0%

1. Using cash/debt balances as at 31 December 2015; hedging % reflects the proportion of debt outstanding as at 31 December 2015 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 2015;
2. 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.
3. DSCR calculation methodology has been amended to offset the impact of Topic 853 Service Concession Arrangements regarding the recognition of project improvement expenses.

Figure 10 – Dulles Greenway debt maturity profile at 31 December 2015 (US$m)



All of Dulles Greenway's debt is in the form of fixed-interest rate senior bonds, with US$35.0m of current interest bonds and US$992.3m of zero-coupon bonds with various maturities extending to 2056.

Dulles Greenway continues to operate on a positive cash flow basis and is well capitalised, with US$162.9m of cash and reserves (the majority being required reserves) as at 31 December 2015.

Net debt as at 31 December 2015 was US$864.4m.

The chart above presents the maturity profile for the debt outstanding at 31 December 2015. It also provides the total debt service (incl. current/capitalised interest) payable each year to 2029. 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.

Table 16 – Debt ratings of Dulles Greenway

Rating[1]	Rating agency	Rating since
BBB-	Standard and Poor's	September 2009
Ba2	Moody's	December 2015
BB+	Fitch	April 2013

1. 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.

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).

At December 2015, the DSCR was 1.10x and the ADSCR was 1.03x, triggering distribution lock-up under its senior debt indentures through to at least 2018. The distribution ratios are both tested annually at 31 December. The detailed calculation is set out below.

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 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.

The distribution test methodologies have been amended to offset the impact of Topic 853 Service Concession Arrangements.

Table 17 – Dulles Greenway distribution tests worked example as at year ended December

US$	Actual 2015	Actual 2014
Toll revenues	84,745,794	78,467,069
Operating expenses	(16,933,976)	(15,893,842)
Net toll revenues (minimum coverage ratio)	**67,811,818**	**62,573,227**
Improvement fund drawdowns	(4,525,575)	(2,719,261)
Operating reserve drawdowns	(166,936)	(103,327)
Net toll revenues (additional coverage ratio)	**63,119,307**	**59,750,639**
1999A	2,493,750	2,493,750
1999B	34,800,000	32,900,000
2005A	24,200,000	22,100,000
2005B/2005C	-	-
Total debt service[1]	**61,493,750**	**57,493,750**
Minimum coverage ratio – 1.25x	**1.10**	**1.09**
Additional coverage ratio – 1.15x	**1.03**	**1.04**

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.

2.3.5 Other

Dulles Greenway has undergone an extensive regulatory hearing process with the State Corporation Commission ("SCC") since 2013 with respect to the current toll rate structure and rate levels charged on the road. On 4 September 2015, SCC announced that it had completed its regulatory review of the Dulles Greenway's current toll rate structure and rate levels charged on the road and confirmed, in Dulles Greenway's favour, that no changes were required to the tolling structure currently in place. The SCC's decision remains subject to a legal appeal.

2.4 Warnow Tunnel – Rostock, Germany

2.4.1 Traffic

Table 18 – Warnow traffic performance

Average daily traffic	Year ended 31 Dec 15	Year ended 31 Dec 14	Change vs pcp
Average workday trips	12,794	12,261	4.3%
Weekends/public holidays	8,114	7,958	2.0%
All days	11,358	10,917	4.0%
Workdays in period	253	251	+2
Non-workdays in period	112	114	-2

Average daily traffic for the year ended 31 December 2015 increased by 4.0% on pcp, primarily due to increased tourist usage and maintenance works on alternative roads.

2.4.2 Financial performance

Figure 11 – Warnow quarterly traffic performance (ADT)

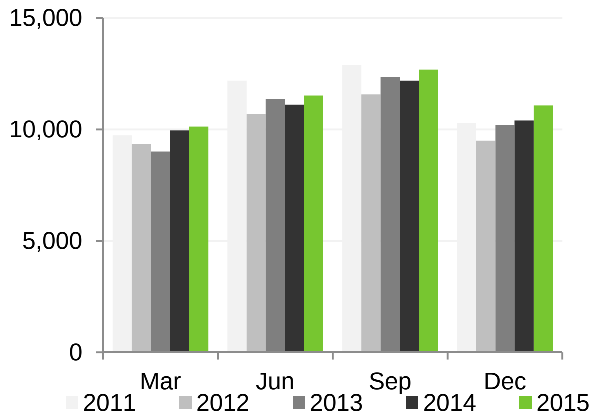
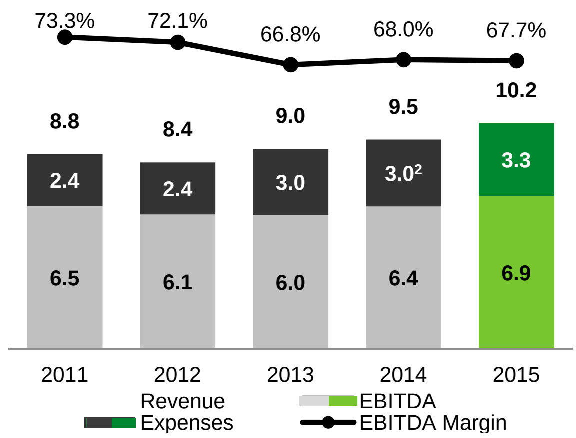


Figure 12 – Warnow EBITDA and revenue (€m), year ended 31 December[1]



1. Reflects post reporting period adjustments.
2. Excludes one-off extraordinary expense of €0.7m.

Revenue for the year ended 31 December 2015 was 7.8% above pcp reflecting growth in traffic and toll increases that were introduced over the last twelve months.

2.4.3 Cash interest paid

Interest paid for the year ended 31 December 2015 was €3.2m compared to €3.4m for pcp.

2.4.4 Financing and debt

Table 19 – Warnow Tunnel debt metrics[1]

Assets	Local	Gross debt	Cash	Net debt	Net debt/ EBITDA	EBITDA/ interest	DSCR	Lock-up	Hedging
Warnow Tunnel	€m	164.7	2.7	162.0	23.42x	4.30x	2.15x	1.05x	30.1%

1. Using cash/debt balances as at 31 December 2015. Hedging % reflects the proportion of debt outstanding as at 31 December 2015 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 2015. DSCRs calculated on a pro forma basis as at 31 December 2015.

As at 31 December 2015, Warnow Tunnel had long term amortising bank debt of €164.7m and letters of credit of €2.0m.

Net debt as at 31 December 2015 was €162.0m.

2.5 Other assets

2.5.1 Chicago Skyway – Chicago, US

On 16 November 2015, MQA announced the signing of an agreement to sell 100% of Skyway Concession Company LLC, the concession owner of the Chicago Skyway in Illinois, USA. The total sale price was US$2,836m. Financial close is anticipated to occur by the end of February 2016. Estimated net sale proceeds to MQA for its 22.5% interest are expected to be approximately US$95m.

2.5.2 Indiana Toll Road – Indiana, US

On 27 May 2015, Indiana Toll Road was sold and subsequently MQA received US$25.0m in proceeds. A preliminary estimated AMT liability of US$12.6m was paid on 15 June 2015. Subsequently, MQA filed a request for adjustment of preliminary estimated amount of AMT paid. Upon adjustment, the full amount of AMT paid was received on 29 January 2016.

2.5.3 M6 Toll – West Midlands, UK

MQA receives an annual fee for continuing to manage the asset of £750,000, indexed for inflation (beginning 1 January 2015) and paid semi-annually. While MQA continues to hold 100% of the ordinary equity in the project, it does not expect to receive any further equity distributions as all surplus cash flows from the asset will be applied to service the debt.

2.5.4 Treatment of other assets

Following the deconsolidation of the M6 Toll and the sale of ITR & Chicago Skyway, traffic and financial information for these assets are 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. M6 Toll, ITR and Chicago Skyway related figures have been excluded from pro forma pcp information.

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 and 2 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 asset ownership percentage 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 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 asset's ongoing operations. When MQA changes its ownership in an asset (i.e. 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 assets used in the calculation of Proportionate EBITDA for the year ended 31 December 2015 and the year ended 31 December 2014 are as set out below.

Table 20 – Beneficial interest

Beneficial interest for:	Year ended 31 Dec 15	Year ended 31 Dec 14
APRR	20.14%	19.74%[1]
Dulles Greenway[2]	50.00%	50.00%
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 21 – Spot and average foreign exchange rates

	Spot foreign exchange rates	Quarter ended average foreign exchange rates			
	As at 31 Dec 15	31 Mar 15	30 Jun 15	30 Sep 15	31 Dec 15
Euro	0.6712	0.6984	0.7029	0.6518	0.6580
Pound Sterling	0.4950	0.5192	0.5074	0.4682	0.4749
United States Dollar	0.7295	0.7864	0.7779	0.7252	0.7203

Operating revenue

Asset revenue is calculated by aggregating the product of the beneficial interest and the total revenue of each 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 asset. Operating expenses are recognised under the local GAAP applicable to each 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 earn interest income.

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 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 have been structured to better match the payment of interest with increasing revenue, 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 22 – 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 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 assets.

Table 23 – Reconciliation – Statutory results to proportionate EBITDA

A$m	Year ended 31 Dec 15	Year ended 31 Dec 14
Profit/(loss) attributable to MQA security holders	**85.1**	**(50.6)**
Non-controlled investment adjustments:		
Share of net gain of associates	(113.3)	(31.2)
Proportionate EBITDA from non-controlled assets	523.7	499.8
MQA corporate level adjustments:		
Performance fees	-	58.2
Manager's and adviser's base fees	25.9	22.9
Revenue	(2.6)	(2.1)
Corporate net expenses	5.0	2.7
EBITDA from assets	**523.7**	**499.8**

Table 24 – Reconciliation – Statutory to MIR operating cash flows

A$m	Year ended 31 Dec 15	Year ended 31 Dec 14
Net statutory operating cash flows	**(41.7)**	**(24.6)**
Preferred equity return from APRR	130.3	96.6
Distribution proceeds from sale of ITR	32.3	-
Net operating cash flows (per MIR)	**120.8**	**72.1**

Appendix 3 – Traffic and toll revenue performance

Table 25 – Traffic and toll revenue performance vs pcp

Asset	Year to 2015	Year to 2014	Change vs pcp	Quarter vs pcp			
				Mar 15	Jun 15	Sep 15	Dec 15
APRR							
Light vehicle VKT (millions)	18,906	18,423	2.6%	1.8%	2.7%	3.1%	2.7%
Heavy vehicle VKT (millions)	3,330	3,237	2.9%	1.9%	2.0%	3.5%	4.2%
Total VKT (millions)	22,236	21,660	2.7%	1.8%	2.6%	3.1%	2.9%
Toll revenue (€m)	2,146	2,082	3.1%	2.5%	2.9%	3.3%	3.6%
Dulles Greenway							
Average all day traffic	51,054	48,443	5.4%	3.4%	5.0%	6.1%	6.8%
Average daily toll revenue (US$)	232,180	214,978	8.0%	7.2%	7.4%	8.2%	9.0%
Warnow Tunnel							
Average all day traffic	11,358	10,917	4.0%	1.8%	3.7%	4.1%	6.5%
Average daily toll revenue (€)	27,617	25,861	6.8%	3.9%	6.0%	6.3%	10.9%
Portfolio average[1]							
Weighted average traffic			2.9%	1.9%	2.8%	3.3%	3.3%
Weighted average toll revenue			3.5%	2.8%	3.3%	3.7%	4.1%

1. Excludes ITR, Chicago Skyway and M6 Toll.