

Macquarie Korea Infrastructure Fund

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MACQUARIE KOREA INFRASTRUCTURE FUND COMPLETES DUAL LISTING

15 March 2006 - Macquarie Korea Infrastructure Fund ("MKIF") today announced the dual listing of its shares on the Stock Market Division of the Korea Exchange (KRX) and global depository shares (GDSs) on the Professional Securities Market of the London Stock Exchange (LSE). Total gross proceeds of the initial public offering (IPO) was approximately KRW942 billion.

The IPO of MKIF is the second largest IPO in Korea in the past 12 months and the second largest IPO in Asia (ex-Japan) in 2006.

Landmark IPO & Listing

MKIF is the first infrastructure fund to be listed in Korea and only the second infrastructure fund to be listed in Asia.

MKIF's dual-listing provides Korean retail and institutional investors as well as international institutions with the opportunity to invest in one of the leading private sector portfolios of infrastructure assets in Korea, which has the added benefit of some form of long-term inflation-adjusted government revenue support.

The IPO of MKIF consisted of a Korean offering (retail and institutional) of 31,360,640 shares at an offering price of KRW7,000 per share and an international institutional offering of 103,228,446 GDSs with an offering price of US\$7.1921. The total gross proceeds of the IPO amounted to approximately KRW942 billion, of which KRW500 billion was paid to MKIF for the issuance of new shares and KRW442 billion was paid to four selling shareholders.

In addition MKIF has granted to the underwriters an option, exercisable within 30 days from the date of pricing of the GDSs, to purchase up to an additional 15,484,266 shares in the form of GDSs, to cover over-allotments.

Domestic Retail Offering over-subscribed

The Korean retail offering closed on Friday 10 March with applications for a total of 27,958,600 shares received from Korean retail investors, equivalent to over KRW195.7 billion of demand at the offer price (KRW7,000 per share).

The over-subscription by the Korean retail offering followed strong demand on the part of institutional investors in the institutional offering, which priced on Tuesday, 7 March, 2006.

Fund raising target met

The IPO of MKIF raised the equivalent of KRW500 billion in primary proceeds and in response to demand from international institutions, the international offering of GDSs was increased as a result of the book-building process. The international offering saw strong demand from a high quality range of institutional investors and was well oversubscribed.

Financial Close of Investment in Daegu East Circulation Road Co., Ltd

On 14 March 2006, MKIF completed its investment in the Daegu 4th Beltway, East project ("D4 East"), following approval received from the Korea Fair Trade Commission and the Financial Supervisory Commission. MKIF acquired an 85 per cent equity stake for KRW57.5 billion in Macquarie East Daegu Investment Co., Ltd ("MEDIC"), which holds 100 per cent of the share capital of Daegu East Circulation Road Co., Ltd, the concession company of D4 East. In addition, MKIF has provided KRW32 billion of subordinated loans to D4 East.

Additional Equity Investment in Seoul-Chuncheon Expressway Co., Ltd

On 14 March 2006, MKIF completed a KRW48.6 billion equity investment in the Seoul-Chuncheon Expressway project ("Seoul-Chuncheon"). MKIF acquired a 15 per cent. equity interest in Seoul Chuncheon Expressway Co., Ltd ("SCE"), the

concession company of Seoul-Chuncheon. In addition, MKIF increased the amount of subordinated loans to SCE to KRW87.5 billion.

About MKIF

MKIF is registered as an investment company under the Indirect Investment Asset Management Business Act. MKIF was established in 2002 and has accumulated a portfolio of investments in, or commitments to invest in, concession companies that operate infrastructure assets such as toll roads, bridges, tunnels and subway lines under concessions from Korean central, provincial and city governments.

MKIF has investments in, or investment commitments to, 14 infrastructure assets in Korea, including 13 toll road assets (including bridges and tunnels,) and one subway rail project. Substantially all of the concession companies in which MKIF invests benefit from some form of long-term, inflation adjusted government revenue support.

MKIF is managed by Macquarie Shinhan Infrastructure Asset Management, a joint venture management company established by the Macquarie Group and the Shinhan Financial Group.

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