

Macquarie



**MACQUARIE INFRASTRUCTURE GROUP
RESPONSE TO BETHANY MCLEAN'S ARTICLE:
'WOULD YOU BUY A BRIDGE FROM THIS MAN'
IN FORTUNE MAGAZINE, OCTOBER 2007**

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Macquarie Infrastructure Group has reviewed the article 'Would you buy a Bridge from this Man?' written by Bethany McLean for the October 2007 edition of Fortune Magazine. The following addresses errors made in the McLean article by citing the erroneous claim in full and supplying the factual response.

Claim re Fees: The shareholders pay Macquarie investment-banking fees too – any deal that a fund does, from the acquisition of an asset to a refinancing to its ultimate disposition, results in fees to Macquarie. In the past two years Macquarie Infrastructure Group (MIG) – the oldest and largest fund – has paid Macquarie a total of almost A\$150 million in banking fees and another A\$273 million in management fees.

Response: Incorrect. Of the A\$150 million paid in banking fees a significant portion was borne by the other members of consortiums of which Macquarie Infrastructure Group was part.

Claim re Debt: For instance, if you glanced at the financial statements for MIG, you would see debt of A\$2.6 billion. But the assets themselves carry another A\$8.7 billion of net debt. In part because there is less disclosure on some of Macquarie's other funds, it is impossible to independently calculate how much debt there is across the entire empire.

Response: Incorrect. The \$2.6bn debt is part of the proportionally consolidated asset debt of \$8.7bn. Note that in the year to as at 30 June 2007 Macquarie Infrastructure Group had no corporate debt, so the total asset debt figure equates to the total net debt figure, as publicly disclosed in both the Management Information Report and in the presentation for the Full-Year Results to 30 June 2007.

Claim re Skyway interest: In 2007 the Skyway will pay interest of just \$129,000 on \$961 million of debt. But the interest payment for 2018 is to be \$480 million – that's not a typo.

Response: Incorrect. The payments referred to above are principal repayments not interest payments. Total interest expense is forecast to be \$89.7 million and \$145.0 million in 2007 and 2018 respectively

