



**MACQUARIE INFRASTRUCTURE GROUP**  
MANAGEMENT INFORMATION REPORT FOR THE  
SIX MONTHS ENDED 31 DECEMBER 2008



MACQUARIE

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## Disclaimer

Macquarie Infrastructure Group (MIG) comprises Macquarie Infrastructure Trust (I) (ARSN 092 863 780) (MIT(I)), Macquarie Infrastructure Trust (II) (ARSN 092 863 548) (MIT(II)) and Macquarie Infrastructure Group International Limited (ARBN 112 684 885) (MIGIL).

Macquarie Infrastructure Investment Management Limited (ACN 072 609 271) (AFSL No.241405) (MIIML) is the responsible entity of MIT(I) and MIT(II). MIIML is a wholly owned subsidiary of Macquarie Group Limited (ABN 94 122 169 279) (MGL).

Macquarie Capital Funds (Europe) Limited (MCFEL) (registered number 3976881) is the adviser of MIGIL. MCFEL is a wholly owned subsidiary of MGL.

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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 MIG, 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.

MIIML, as responsible entity of the trusts comprised by MIG and MCFEL as the adviser of MIGIL are entitled to fees for so acting. MGL and its related corporations (including MIIML and MCFEL) together with their officers and directors and officers and directors of MIGIL may hold stapled securities in MIG from time to time.

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## REPORT SUMMARY

The purpose of the Management Information Report (the Report) is to provide information supplementary to the Interim Financial Report of Macquarie Infrastructure Group (MIG). This Report has been prepared on a different basis to the MIG Interim Financial Report. The information contained within this Report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and the cash flows of MIG as in the Interim Financial Report. This Report should be read in conjunction with the Interim Financial Report of MIG.

This Report comprises the following Sections:

**Overview Sections** covering MIG's structure, portfolio and summary performance for the 6 months ended 31 December 2008.

**Section 1 Financial Performance** presents MIG's Proportionate Earnings, Aggregated Balance Sheet, Aggregated Cash Flow Statement and other measures for the 6 months ended 31 December 2008. It has been prepared using policies adopted by the directors of Macquarie Infrastructure Investment Management Limited (MIIML) and, unless stated otherwise, these policies have been consistently applied to all periods presented in this Report.

**Section 2 Asset Performance** contains a more detailed analysis of the performance of each of the toll roads within MIG's portfolio.

**Section 3 Valuations and Net Asset Backing per Stapled Security** presents an analysis of MIG's toll road asset portfolio valuations, including details of the key impacts during the period.

PricewaterhouseCoopers (PwC) has been engaged to perform certain procedures for the directors of MIIML in relation to this Report. The areas covered by PwC's procedures included the following information in Sections 1, 2 and 3: Proportionate Earnings (Tables 2, 3, 4, 13 and 14), Aggregated Balance Sheet (Table 5), Proportionate Net Debt (Table 6), Aggregated Cash Flow Statement (Table 8), Portfolio Valuation (Table 27), and Net Asset Backing per stapled security (Table 29).

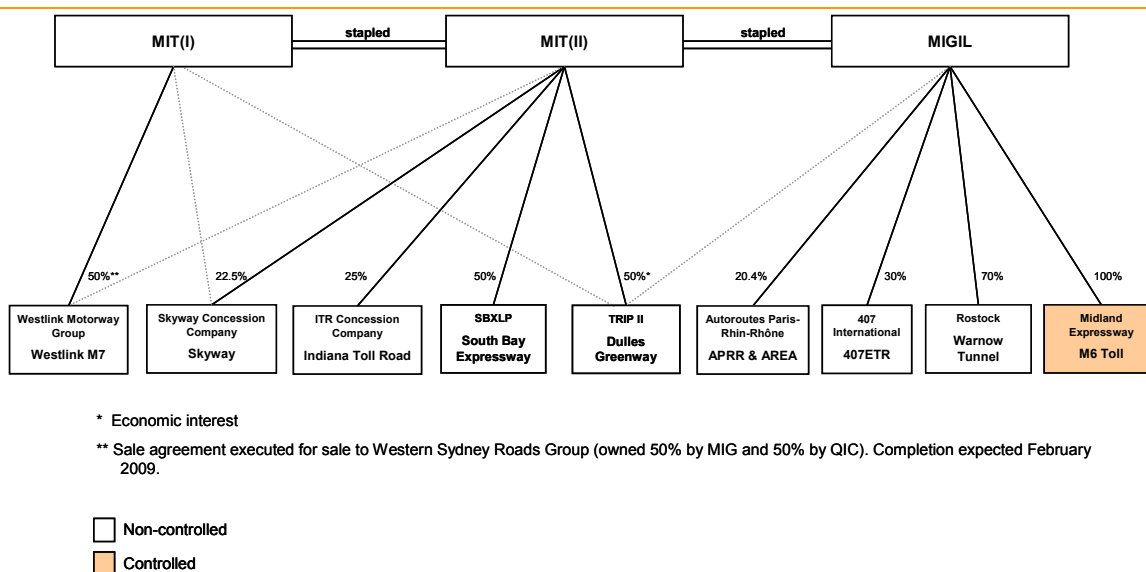
PwC conducted its engagement in accordance with Australian Auditing Standards applicable to agreed upon procedures engagements. The procedures do not constitute either an audit or review in accordance with Australian Auditing Standards and accordingly PwC expresses no assurance over the accuracy of the above information or any other aspect of the Report.

## OVERVIEW OF MIG STRUCTURE

MIG is a triple stapled security listed on the Australian Securities Exchange. Stapled securities are two or more securities that are quoted and traded as if they were a single security. A MIG stapled security consists of a unit in Macquarie Infrastructure Trust (I) (MIT(I)), a unit in Macquarie Infrastructure Trust (II) (MIT(II)) and a share in Macquarie Infrastructure Group International Limited (MIGIL). Macquarie Infrastructure Investment Management Limited (MIIML) is the responsible entity of MIT(I) and MIT (II).

The diagram below shows the split of MIG's portfolio of assets between the three MIG stapled entities.

Figure 1 - Macquarie Infrastructure Group Structure (simplified)



## MIG PORTFOLIO

MIG is one of the largest developers and owners of toll roads in the world. As at 31 December 2008 MIG's portfolio of toll road assets and percentage interest were as follows:

Asset	Location	Reporting Currency	Date of initial acquisition	MIG's Interest as at	
				31 Dec 08	30 Jun 08
407 ETR	Canada	CAD	April 2002	30.0	30.0
M6 Toll	United Kingdom	GBP	Oct 1999	100.0	100.0
Financière Eiffarie (APRR)	France	EUR	Feb 2006	20.4	20.4
Westlink M7 <sup>1</sup>	Australia	AUD	Feb 2003	50.0	47.5
Dulles Greenway	USA	USD	Sep 2005	50.0	50.0
Indiana Toll Road	USA	USD	Jun 2006	25.0	25.0
Chicago Skyway	USA	USD	Jan 2005	22.5	22.5
Tagus River Crossings <sup>2</sup>	Portugal	EUR	Oct 1999	-	30.6
South Bay Expressway	USA	USD	Sep 2002	50.0	50.0
Warnow Tunnel	Germany	EUR	Dec 2000	70.0	70.0

- On 1 December 2008 MIG announced the sale of its interest in Westlink M7 to Western Sydney Road Group (WSRG). Completion of this transaction is expected in February 2009. MIG will retain an effective 25% interest in Westlink M7 through its ownership of WSRG. MIG continues discussions with third parties regarding a sell down of its interest in WSRG.
- Conditions precedent to the sale of MIG's interest in the Tagus River Crossings were met on 30 December 2008 and MIG's effective interest ceased at that date.

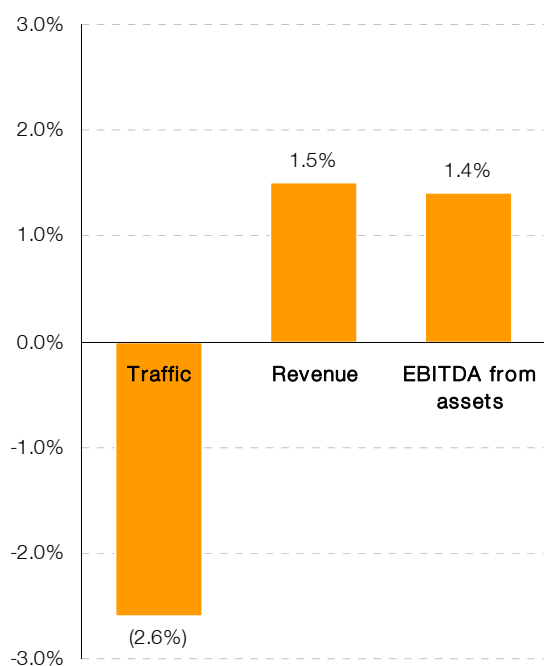
# PERFORMANCE SUMMARY

Table 1 - MIG Performance Summary

	6 Months to 31 Dec 08	6 Months to 31 Dec 07	Change
<b>Proforma Proportionate Results<sup>1</sup></b>			
Traffic Growth on prior corresponding period (pcp) (%)	(2.6%)	1.8%	
Proportionate Revenue (AUDm)	641.3	631.8	1.5%
Proportionate EBITDA from road assets (AUDm)	459.1	452.7	1.4%
EBITDA Margin (%)	71.6	71.6	-
MIG Proportionate Earnings (AUDm)	283.4	176.8	60.3%
Proportionate Earnings per Security (cents)	12.0	6.8	76.5%
<b>Distributions</b>			
Distributions per Security (cents)	10.0	10.0	-

	As at 31 Dec 08	As at 30 June 08	Change
<b>Valuations</b>			
Asset portfolio valuation (AUDm)	7,078	8,569	(17.4%)
Net Asset Backing per Security (AUD)	3.30	3.84	(14.1%)
Proportionate Net Debt (AUDm)	11,434.2	9,411.1	21.5%
Enterprise Value (AUDm)	19,067.8	18,636.5	2.3%
Net Debt to Enterprise Value (%)	60.0%	50.5%	n/a

Figure 2 - Summary proforma<sup>1</sup> asset performance vs prior corresponding period



1 Data for 31 December 2007 has been adjusted to proforma numbers by adjusting for investments/divestments and by using exchange rates from 31 December 2008

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# Financial Performance

# 1 FINANCIAL PERFORMANCE

## 1.1 Proportionate Earnings

Table 2 – Proportionate Earnings for 3 months ended 31 December 2008

	Actual Results 3 months to 31 Dec 08 AUDm	Proforma Results 3 months to 31 Dec 07 AUDm	Change vs pcp %	Actual Results 3 months to 31 Dec 07 AUDm
Operating revenue	321.4	321.0	0.1%	276.8
Operating expenses	(104.7)	(103.7)	(1.0%)	(87.9)
<b>EBITDA from road assets</b>	<b>216.7</b>	<b>217.3</b>	<b>(0.3%)</b>	<b>188.9</b>
Asset maintenance capex	(14.6)	(15.2)	3.9%	(13.0)
Asset net interest expense	(110.4)	(108.1)	(2.1%)	(93.1)
Asset net tax expense	(19.4)	(16.6)	(16.9%)	(13.7)
<b>Proportionate Earnings from road assets</b>	<b>72.3</b>	<b>77.4</b>	<b>(6.6%)</b>	<b>69.1</b>
Gain on sale of road assets	129.0	-	100.0%	-
Corporate net interest income	7.2	17.9	(59.8%)	17.9
Corporate net expenses	(15.2)	(20.3)	25.1%	(20.2)
<b>MIG Proportionate Earnings</b>	<b>193.3</b>	<b>75.0</b>	<b>157.7%</b>	<b>66.8</b>
Asset net debt amortisation	(27.2)	(25.1)	(8.4%)	(21.1)
<b>MIG Proportionate Earnings less allowance for net debt amortisation</b>	<b>166.1</b>	<b>49.9</b>	<b>232.9%</b>	<b>45.7</b>

Table 3 - Proportionate Earnings for 6 months ended 31 December 2008

	Actual Results 6 months to 31 Dec 08 AUDm	Proforma Results 6 months to 31 Dec 07 AUDm	Change vs pcp %	Actual Results 6 months to 31 Dec 07 AUDm
Operating revenue	641.3	631.8	1.5%	586.2
Operating expenses	(182.2)	(179.1)	(1.7%)	(162.1)
<b>EBITDA from road assets</b>	<b>459.1</b>	<b>452.7</b>	<b>1.4%</b>	<b>424.1</b>
Asset maintenance capex	(29.4)	(31.0)	5.2%	(28.7)
Asset net interest expense	(223.7)	(210.9)	(6.1%)	(196.6)
Asset net tax expense	(36.0)	(29.6)	(21.6%)	(26.2)
<b>Proportionate Earnings from road assets</b>	<b>170.0</b>	<b>181.2</b>	<b>(6.2%)</b>	<b>172.6</b>
Gain on sale of road assets	129.0	-	100.0%	-
Corporate net interest income	17.8	37.5	(52.5%)	37.6
Corporate net expenses	(33.4)	(41.9)	20.3%	(41.8)
<b>MIG Proportionate Earnings</b>	<b>283.4</b>	<b>176.8</b>	<b>60.3%</b>	<b>168.4</b>
Asset net debt amortisation	(56.1)	(53.6)	(4.7%)	(48.7)
<b>MIG Proportionate Earnings less allowance for net debt amortisation</b>	<b>227.3</b>	<b>123.2</b>	<b>84.5%</b>	<b>119.7</b>

Further details on the preparation of this section of the Report are set out in the summary of significant policies.

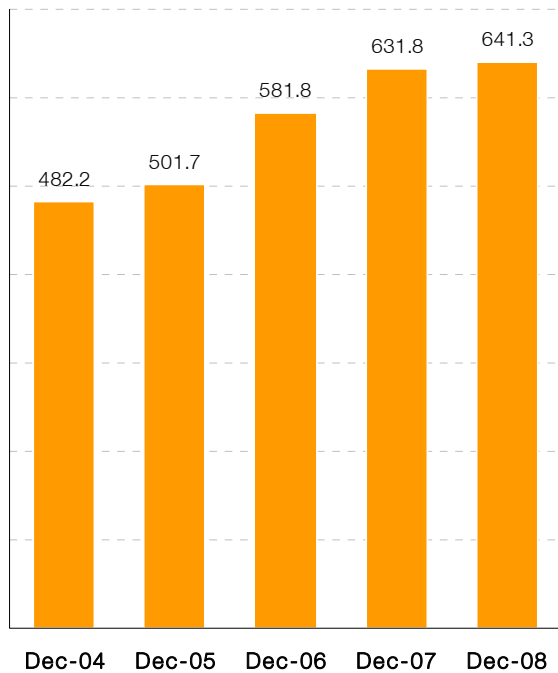
### 1.1.1 Summary

MIG's underlying proportionately consolidated revenue and EBITDA from road assets increased 1.5% and 1.4% respectively for the 6 months ended 31 December 2008 (YTD). This result was achieved in an environment where the impact of a significant global economic downturn has led to a reduction in traffic volumes on almost all of MIG's toll road assets. Across the portfolio, weighted average traffic volume fell 2.6% compared with the prior corresponding period (pcp).

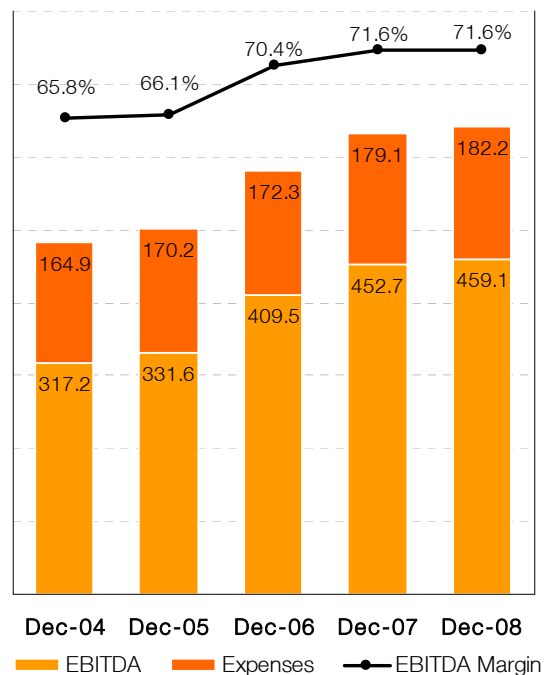
The growth in revenue was driven by previous revisions to toll schedules on a number of roads, through calendar year 2008.

This growth in revenue has led to an increase in EBITDA, although this increase was slightly less than the revenue increase as a consequence of an abnormal expense of approximately AUD12m at 407 ETR which relates to the requirement to provide for doubtful receivable accounts (relating to plate denial) in the current period. This expense is not expected to be recurring.

**Figure 3 – Proforma Proportionate revenue, 6 months ended 31 December**



**Figure 4 – Proforma Proportionate EBITDA from road assets, 6 months ended 31 December**



### 1.1.2 Operating revenue

Operating revenue increased AUD9.5m (1.5%) YTD compared to proforma pcp. This increase in revenue is attributable mainly to higher toll rates at APRR, 407 ETR and Westlink M7, and the opening of South Bay Expressway to tolled traffic on 14 January 2008.

These toll increases, together with some minor changes to vehicle mix and trip patterns, have led to an effective weighted average toll increase of 4.2% across the portfolio in the first half. Subtracting inflation, this represents real toll increases of 1.7%.

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Actual operating revenue for the YTD increased AUD55.1m (9.4%), reflecting both the toll increases and the impact of a weakening of the AUD against most of the portfolio currencies. Comparing the YTD average foreign exchange rates to the pcp, the AUD has fallen 12.6% against the EUR, 1.7% against the CAD, 13.7% against the USD, but risen 4.5% against the GBP.

### **1.1.3 Operating expenses**

Underlying operating expenses increased AUD3.1m (1.7%) for the YTD, with a reduction in expenses at a number of assets offset by increased expense relating to the commencement of operations at South Bay Expressway and the non recurring provision for doubtful debt write downs relating to the re-instatement of plate denial at the 407 ETR.

Actual operating expenses for the YTD increased AUD20.1m (12.4%) against pcp with the major driver in addition to these noted above, being the weakening of the AUD.

### **1.1.4 EBITDA from road assets**

Underlying EBITDA from road assets increased 1.4% to AUD459.1m for the YTD. Underlying road assets EBITDA margin remained constant at 71.6%. The YTD increase in EBITDA has been achieved predominantly through revenue growth, with an increase in expenses compared to pcp.

Underlying asset maintenance capex decreased 5.2% for the YTD. The basis of calculation of maintenance capex is outlined in the summary of significant policies (section 1.8) of this Report.

### **1.1.5 Asset net interest and tax expense**

Underlying asset net interest expense increased AUD12.8m (6.1%) for the first half of the financial year reflecting the opening of South Bay Expressway in January 2008 (interest was capitalised prior to the opening of the road), higher swap payments at the M6 Toll and higher interest expense at Dulles Greenway and 407 ETR.

The increase of AUD27.1m (13.8%) in actual asset net interest expense for the YTD includes the aforementioned impacts, as well as a weakening of the Australian dollar.

Underlying asset net tax expense for the YTD increased AUD6.4m (21.6%) as a result of higher operating profits recognised at APRR in 2007 compared to 2006: at APRR tax is paid based on prior year profits.

Actual YTD asset net tax expenses increased AUD9.8m (37.4%) due to APRR.

### **1.1.6 Gain on sale of road assets**

In September 2008, MIG accepted a binding offer from two of the existing shareholders in Lusoponte (Tagus River Crossings), Mota-Engil Concessões de Transporte (Mota) and Vinci SA (Vinci), to purchase MIG's 30.6% interest in the Tagus River Crossings for EUR112.0m (AUD227.0m). The conditions precedent were met on 30 December 2008. Consequently a gain on the sale of Lusoponte of AUD129.0m has been reflected in MIG's Proportionate Earnings in the current period. Financial close occurred on 5 January 2009. The basis for calculating the gain can be found in section 1.8 of the Report.

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### **1.1.7 Corporate net interest income and expenses**

Underlying corporate net interest income was AUD19.7m (52.5%) lower than the pcp due to lower average cash balances, primarily as a consequence of the cash spent on buybacks during the previous and current periods, and lower deposit interest rates in all jurisdictions.

Details on major corporate cash movements are provided in section 1.7 Cash Flow and Cash Position.

Underlying corporate net expense was AUD8.5m (20.3%) lower than pcp due to the payment of lower base management fees as a result of the decrease in MIG's market capitalisation compared to the prior period.

### **1.1.8 Asset net debt amortisation**

Underlying asset net debt amortisation increased AUD2.5m (4.7%) for the YTD as a result of marginally higher proportionate net debt and EBITDA from road assets as compared to the pcp. The calculation of net debt amortisation is outlined in the summary of significant policies (section 1.8) of this Report.

## 1.2 Proportionate Earnings per security

Table 4 - Proportionate Earnings per security

	Actual Results 6 months to 31 Dec 08	Actual Results 6 months to 31 Dec 07
Weighted average MIG securities on issue (#'000)	2,366,426	2,472,091
EBITDA per security from road assets (cents)	19.4	17.2
Proportionate Earnings per security from road assets (cents)	7.2	7.0
<b>MIG Proportionate Earnings per security (cents)</b>	<b>12.0</b>	6.8

MIG Proportionate Earnings per security has increased as a consequence of the gain on sale of Lusoponte and the decrease in the number of securities on issue.

Over the period, MIG's weighted average number of securities on issue has decreased as a result of the current and previous buyback (of up to 10% of MIG securities) which was announced on 21 August 2008, and commenced in September 2008. The total number of securities bought back to the end of December 2008 was 89.062m. No new MIG securities were issued during the period.

## 1.3 Aggregated Balance Sheet

Table 5 - Aggregated Balance Sheet

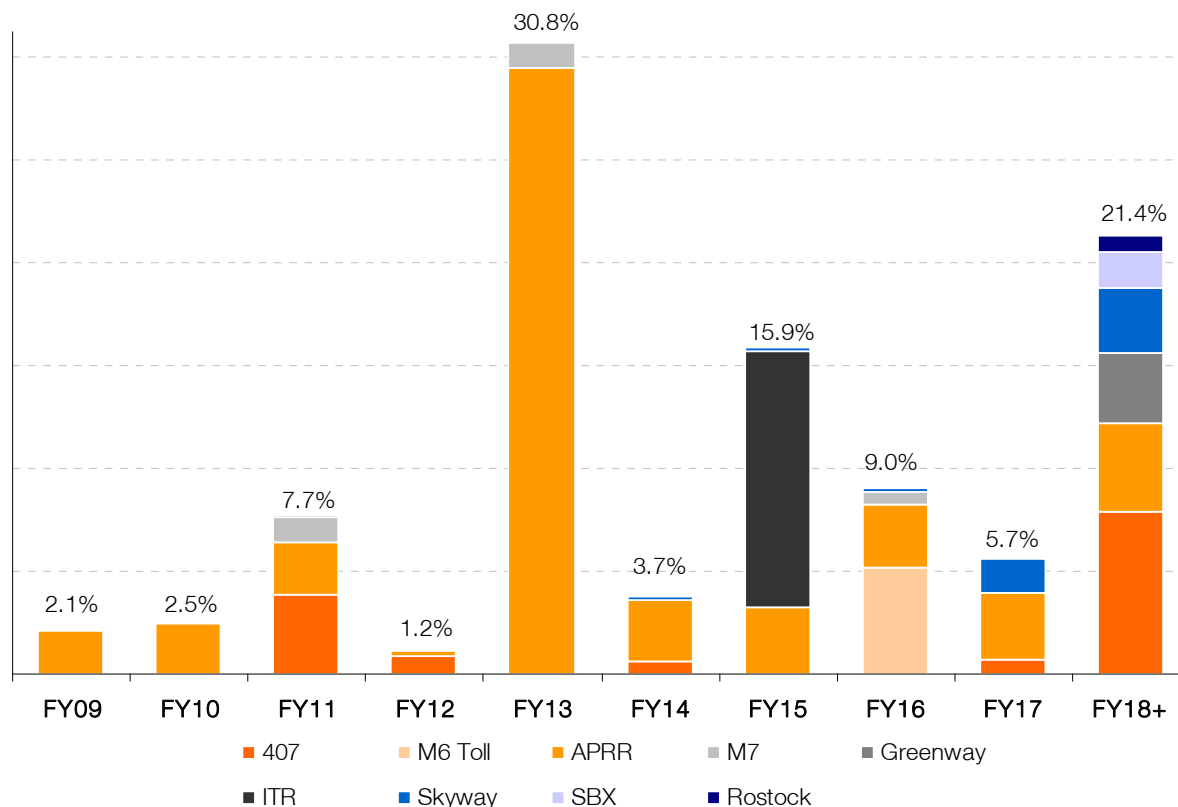
	NOTE	As at 31 Dec 08 AUDm	As at 30 Jun 08 AUDm
<b>Investments</b>			
407 ETR		3,571.4	3,295.0
M6 Toll		1,201.5	2,188.3
Financière Eiffarie (APRR)		766.8	982.2
Westlink M7		805.0	802.1
Dulles Greenway		344.5	397.5
Indiana Toll Road		188.7	344.4
Chicago Skyway		186.2	235.7
Tagus River Crossings		-	187.6
South Bay Expressway		11.6	132.9
Warnow Tunnel		1.8	1.7
Transtoll		-	1.7
<b>Total Investment Portfolio</b>	<b>Section 3</b>	<b>7,077.5</b>	8,569.1
<b>Non-Investment Assets</b>			
Cash and cash equivalents		563.6	910.8
Receivables		223.2	-
Current Tax Receivables		12.0	7.0
Prepayments		1.3	0.4
<b>Total Non-Investment Assets</b>		<b>800.1</b>	918.2
<b>Total Assets</b>		<b>7,877.6</b>	9,487.3
<b>Liabilities</b>			
Distribution payable		231.5	240.3
Payables		12.2	21.6
Current tax liabilities		0.3	-
Deferred tax liabilities		35.2	172.1
<b>Total Liabilities</b>		<b>279.2</b>	434.0
<b>Net Assets</b>		<b>7,598.4</b>	9,053.3
<b>Equity</b>			
Contributed equity		3,407.5	3,591.6
Retained earnings and reserves		4,190.9	5,461.7
<b>Total Equity</b>		<b>7,598.4</b>	9,053.3

Aggregated net assets have fallen due to the following factors:

- The investment portfolio has fallen in value by AUD1.5bn. Further details are provided in Section 3 of this report. The downward revaluation has also resulted in a release of deferred tax liabilities.
- MIG's cash balance has decreased due to payment of a 10 cent distribution in August 2008 and commencement of the current security buyback in September 2008.

## 1.4 MIG debt profile

Figure 5 - MIG debt maturity profile (100% debt at each asset)



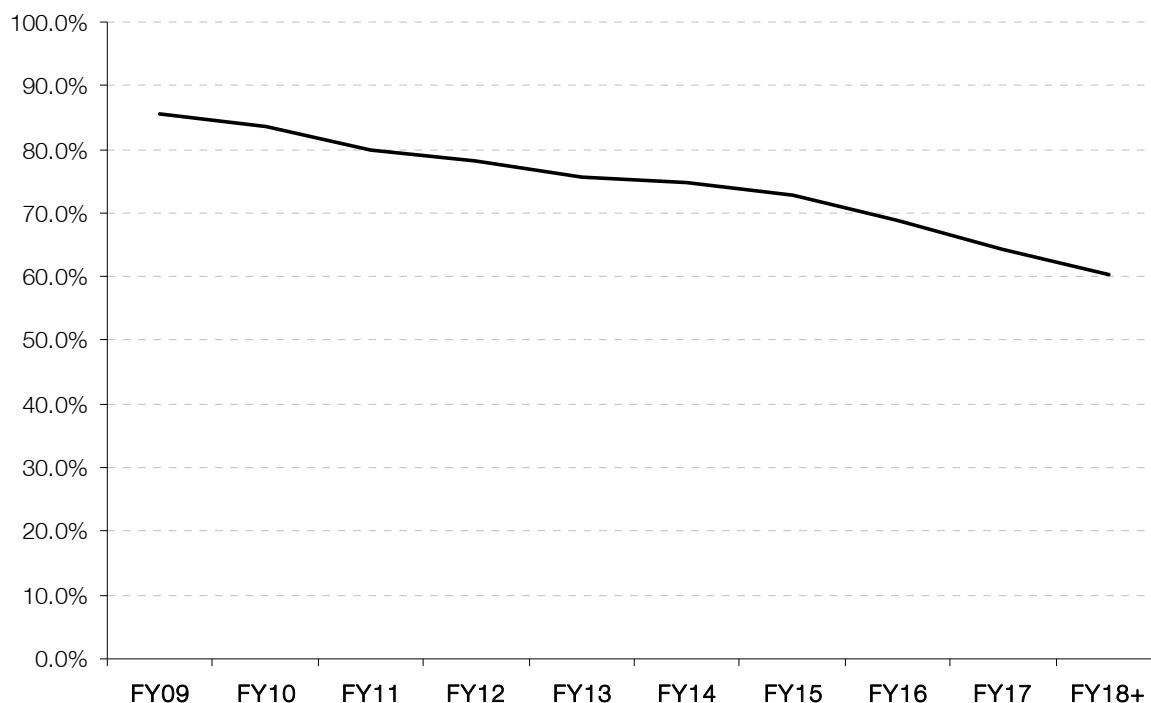
The above debt maturity profile reflects a 100% consolidation of the debt balances of MIG's road assets as at 31 December 2008, adjusted to incorporate the recent CAD500m refinance completed by 407 ETR in January 2009. The chart shows the legal maturity of each debt tranche in accordance with the relevant loan agreement.

Average debt maturity is 6.4 years – compared to 6.5 years at 30 June 2008.

Across the portfolio, the cash interest cost in the first half of the year was the equivalent of an annualised interest rate of 4.1%, this is primarily a consequence of the existence of interest rate swaps on both the M6 Toll and Indiana Toll Road that have low start accreting interest rate structures, as well as the zero coupon bonds issued at Dulles Greenway. Normalising for those instruments, the interest cost would have been the equivalent of an annualised interest rate of 6.2%.

## 1.4.1 Hedging profile

Figure 6 - MIG debt hedging profile



The above hedging profile reflects 100 percent of the debt balances of each of MIG's road assets for each financial year. Debt is considered hedged when the interest rate has been fixed and therefore includes fixed rate debt as well as floating rate debt with interest rate swaps in place. MIG's portfolio has a number of CPI related debt instruments (particularly at the 407 ETR) that are also considered fixed for this purpose, given the coupons on these bonds are fixed.

## 1.4.2 Proportionate net debt

Table 6 - MIG proportionate net debt

	Actual as at 31 Dec 08 AUDm	Actual as at 30 Jun 08 AUDm
Road assets net debt	11,996.2	10,321.2
Corporate net debt	(562.0)	(910.1)
<b>Total Proportionate Net Debt</b>	<b>11,434.2</b>	<b>9,411.1</b>

MIG's proportionate net debt has increased primarily as a consequence of the depreciation of the Australian dollar during the 6 months from 30 June 2008 to 31 December 2008. Overall, the AUD has fallen 17.6%<sup>1</sup> against the currencies in which MIG's debt is held. Had the 30 June 2008 foreign exchange rates been applied in the current period the total net debt balance would be AUD9,767.4m (a 3.8% increase since 30 June 2008).

<sup>1</sup> This represents the average weighted by the proportion of net debt held in each currency as at 31 December 2008.

## 1.5 Enterprise value

Table 7 - MIG enterprise value

	Actual as at 31 Dec 08 AUDm	Actual as at 30 Jun 08 AUDm
Total proportionate net debt	11,434.2	9,411.1
MIG aggregated net assets before deferred tax liabilities	7,633.6	9,225.4
<b>Enterprise value</b>	<b>19,067.8</b>	<b>18,636.5</b>
<b>Total net debt /enterprise value</b>	<b>60.0%</b>	<b>50.5%</b>

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## 1.6 Liquidity and Cash Credit Risk

MIG's cash balances totalled AUD563.6m as at 31 December 2008. This balance was held in current account balances and short term money market instruments with a range of maturities up to 90 days. These deposits were held 83.0% in AUD, 8.5% in GBP, 6.9% in USD, and small balances in EUR & CAD.

MIG constantly reviews the credit quality of issuers and observes counterparty exposure limit thresholds based on external ratings indications to ensure that cash is deposited across a range of highly rated institutions. Limits are based on short term credit ratings and MIG's policy is that all cash is held with counterparties with short term rating of A-1 or higher, with a maximum exposure to any one counterparty of AUD100m for A-1, and AUD200m for A-1+.

## 1.7 Cash Flow and Cash Position

Table 8 - Aggregated Cash Flow Statement

	6 months to 31 Dec 08 AUDm	6 months to 31 Dec 07 AUDm
<b>Cash flow received from assets</b>		
407 ETR – dividend	22.7	21.0
M6 Toll – dividend	27.0	29.1
Financière Eiffarie (APRR) – dividend	23.3	40.5
Financière Eiffarie (APRR) – interest	3.1	5.9
Westlink M7 – interest	12.8	41.5
Indiana Toll Road – capital return	4.2	4.2
Chicago Skyway – capital return	0.7	1.3
Tagus River Crossings – dividend	3.4	1.3
<b>Total cash flow received from assets</b>	<b>97.2</b>	144.8
<b>Other MIG operating cash flows</b>		
Interest received on corporate balances	21.0	38.4
Indirect taxes received	4.1	6.8
Other income received	0.4	1.6
Payments to suppliers and employees	(16.2)	(6.5)
RE and adviser base fees paid	(30.3)	(41.7)
Income taxes paid	-	(9.6)
<b>Total MIG operating cash flows</b>	<b>76.2</b>	133.8
<b>MIG investing and financing cash flows</b>		
Payments for purchase of investments	(48.2)	(1.2)
Loans advanced to investments and controlled entities	(0.7)	-
Borrowing costs paid	(2.6)	(0.3)
On market buyback	(184.1)	(328.6)
Distributions paid	(240.4)	(251.7)
<b>Net decrease in cash assets</b>	<b>(399.8)</b>	(448.0)
Cash assets at beginning of period	910.8	1,589.9
Exchange rate movements	52.6	(15.3)
<b>Cash assets at the end of the period</b>	<b>563.6</b>	1,126.6

Some of the key differences in cash flow between the 6 months ended 31 December 2008 and the pcp have been:

- Reduced cash flow received from assets as explained in section 1.7.1,
- Lower level of interest received on corporate balances due to a lower level of cash holdings as a consequence of the on market buyback, and lower deposit interest rates in all jurisdictions,
- A lower level of cash spent on the on market buyback in the current period compared to the pcp,
- Payments for purchase of investments in the current period include MIG's acquisition of an additional 2.5% interest in Westlink M7 for AUD38.0m in August 2008;
- Payments to suppliers and employees increased due to one-off costs incurred in the current period; and
- Base management fees have reduced due to a reduction in market capitalisation for MIG.

## 1.7.1 Operating cash generated per security

Table 9 - Operating cash generated per security

ASSET	6 Months to 31 Dec 08 AUDm	6 Months to 31 Dec 07 AUDm
407 ETR	22.7	21.0
M6 Toll	27.0	29.1
APRR	26.4	46.4
Westlink M7	12.8	41.5
Indiana Toll Road	4.2	4.2
Chicago Skyway	0.7	1.3
Tagus River Crossings	3.4	1.3
<b>Operating cash generated from assets</b>	<b>97.2</b>	<b>144.8</b>
Interest on MIG cash balances	21.0	38.4
<b>Operating cash generated</b>	<b>118.2</b>	<b>183.2</b>
<b>Operating cash generated per security (cents)</b>	<b>5.0</b>	<b>7.4</b>

MIG's policy is to hedge future distributions from assets, as required, to ensure certainty of funding of AUD payment requirements, including distribution guidance. Where cash inflows have not been hedged, they are brought back to AUD on receipt, unless required, to fund foreign currency payments.

Operating cash generated per security has fallen from 7.4 cents per security in the 6 months ended 31 December 2007, to 5.0 cents per security in the 6 months ended 31 December 2008.

The major drivers of this reduction have been:

- The distribution in the first half of this year from APRR has reduced as a result of the fact that the pcpr contained a non-recurring release of reserves; and
- The AUD41.5m of interest received from Westlink M7 during the pcpr represents the release of ramp-up reserves and other accumulated cash reserves in December 2007 following the strong performance of the motorway since opening in December 2005.

## 1.7.2 Proforma cash position

Table 10 - MIG pro forma cash position

	AUDm
<b>Cash balance as at 31 December 2008</b>	<b>563.6</b>
Add: asset distributions and interest on cash balances to 19 February 2009	54.9
Add: proceeds from sale of Lusoporte	227.0
Less: December quarter 2008 management fee	(9.9)
Less: On market buyback activity post 31 December 2008	(18.5)
Less: December 2008 distribution – paid 13 February 2009	(231.5)
<b>Proforma cash at 19 February 2009</b>	<b>585.6</b>

Since 31 December 2008, the proforma cash position has increased 3.9% from AUD563.6m to AUD585.6m. The receipt of sales proceeds for Lusoporte, as well as distributions from a number of the toll road assets have been partially offset by the payment of management fees, the December 2008 distribution and continuation of the on market buyback of securities.

## 1.7.3 On market buyback

Table 11 - MIG on market buyback progress

	As at 19 Feb 2009
<b>Securities purchased under current buyback ('000's)</b>	<b>100,928</b>
Percentage of total outstanding securities purchased	4.2%
Average price paid under current buyback (AUD)	2.0036
Market volume weighted average price of MIG securities since buy back began (AUD)	2.0060 <sup>1</sup>
Buyback volume as a percentage of total market activity since September 2008	7.6% <sup>1</sup>

<sup>1</sup> Data for the period to 6 February 2009.

On 21 August 2008, MIG announced its intention to conduct an on market buyback of up to 10% of securities on issue over the course of the ensuing 12 months. This buyback forms part of MIG's overall capital management policy and was deemed the most appropriate investment MIG could make with its excess cash balances in the current market environment.

As at 19 February 2009, MIG had purchased 100,928,340 securities, at an average price of AUD2.0036, and a total cost of AUD202.2m. The progress of the buy back to 19 February 2009 represented 4.2% of the securities on issue. The buy back activity since announcement has represented 7.6% of the total MIG securities traded.

As at 31 December 2008, MIG had purchased 89,062,213 securities, at an average price of AUD2.0633, and a total cost of AUD183.8m (excluding brokerage).<sup>1</sup>

Figure 7 - MIG on market buyback execution



Activity on the on market buyback is at the discretion of the directors. As per Figure 7 above, there are periods where MIG is not active in the market on this buyback, or may be precluded from buying back securities for a number of reasons which may include the pricing period for base management fees, blackout periods prior to results announcements and annual general meetings, or if MIG is deemed to be in possession of confidential material information.

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## 1.8 Summary of significant policies

### 1.8.1 Summary of significant policies

The significant policies which have been adopted by the board of MIIML, and used in the preparation of section 1 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.

PricewaterhouseCoopers (PwC) has been engaged to perform certain procedures for the directors of MIIML in relation to their preparation of the primary statements disclosed in section 1 of the Report: Proportionate Earnings (Tables 2, 3 and 4), Aggregated Balance Sheet (Table 5), Proportionate Net Debt (Table 6) and Aggregated Cash Flow Statement (Table 8) on the basis set out below. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed by PwC is that of the directors, and these procedures were performed solely to assist the directors of MIIML in evaluating the accuracy of the disclosures.

PwC conducted its engagement in accordance with Australian Auditing Standards applicable to agreed upon procedures engagements. The procedures do not constitute either an audit or review in accordance with Australian Auditing Standards and accordingly PwC expresses no assurance over the accuracy of the Proportionate Earnings, Aggregated Balance Sheet, Proportionate Net Debt, Aggregated Cash Flow Statement, or on any other aspect of the Report.

All information contained in this Report is disclosed in Australian dollars unless stated otherwise.

### 1.8.2 Proportionate Earnings

Current and prior period Proportionate Earnings information contained in this Report involves the aggregation of the financial results of MIG's relevant assets in the relevant proportions that MIG holds beneficial ownership interests. It is calculated as operating assets' revenues less operating assets' expenses, maintenance capital expenditure (maintenance capex), net interest expense, net tax expense, plus earnings or expenses at the MIG corporate level including any gain on sale of road assets, corporate net interest income and corporate expenses including management fees.

Proportionate Earnings are disclosed for the current period and the pcp (Actual Results).

Proportionate Earnings information for the pcp is also disclosed under a proforma approach. The proforma information is derived by restating the prior period results with the operating assets ownership percentages and foreign currency exchange rates from the current period (Proforma Results). Proforma 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' used in the Operational Discussion and Analysis (section 1.1) refers to movements under the proforma approach.

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

#### Relevant assets

For an asset to qualify as a relevant asset for inclusion in Proportionate Earnings from road assets, the asset must be a toll road operator (road asset) in which MIG has an ownership interest. MIG's relevant road assets are presented in the table on page 21 of this Report.

#### Transtoll

MIG has an investment in Transtoll which provides hardware and software solutions to the tolling industry. Transtoll is not a toll road asset. The results of this asset are not included in the Proportionate Earnings from road assets. Instead, the results of Transtoll are included at the MIG corporate level as follows:

- Net interest expense is included as corporate net interest income; and
- Expenses paid net of revenue earned is included as corporate net expenses.

Transtoll's net interest expenses and net expenses are immaterial to MIG's overall results.

### Foreign exchange rates

All Proportionate Earnings information contained in this Report is disclosed in Australian dollars unless stated otherwise. Actual results are reported at quarterly average foreign currency exchange rates for the respective quarters. Under the proforma 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.

### MIG's beneficial ownership interest

The beneficial ownership interest of MIG for each of its road assets is calculated according to the number of days in the reporting period during which MIG held a beneficial ownership interest (Beneficial Ownership Interest). Where assets have been sold during the period the Beneficial Ownership Interest is calculated according to the number of days from the beginning of the period up to the date of sale. Where assets have been acquired during the period Beneficial Ownership Interest is calculated according to the number of days from the date of initial acquisition to the end of the period.

The Beneficial Ownership Interests of MIG in the roads used in the calculation of Proportionate Earnings for the current quarter, YTD and pcp are as set out below:

Road asset	Ref	MIG's Beneficial Ownership Interest for:			
		31 Dec 08 QTR	31 Dec 07 QTR	31 Dec 08 YTD	31 Dec 07 YTD
		%	%	%	%
407 ETR		30.0	30.0	30.0	30.0
M6 Toll		100.0	100.0	100.0	100.0
APRR		20.4	20.4	20.4	20.4
Westlink M7	1	50.0	47.5	49.2	47.5
Dulles Greenway		50.0	50.0	50.0	50.0
Indiana Toll Road		25.0	25.0	25.0	25.0
Chicago Skyway		22.5	22.5	22.5	22.5
Tagus River Crossings	2	30.3	30.6	30.4	30.6
South Bay Expressway		50.0	50.0	50.0	50.0
Warnow Tunnel		70.0	70.0	70.0	70.0

1. On 28 August 2008 MIG purchased an additional 2.5% stake in Westlink M7. On 1 December 2008 MIG announced the sale of its interest in Westlink M7 to Western Sydney Road Group (WSRG). Completion of this transaction is expected in February 2009. MIG will retain an effective 25% interest in Westlink M7 through its ownership of WSRG. MIG continues discussions with third parties regarding a sell down of its interest in WSRG.
2. Conditions precedent to the sale of MIG's interest in the Tagus River Crossings were met on 30 December 2008 and MIG's effective interest ceased at that date.

### Operating revenue

Asset revenue is calculated by the aggregation of the product of the Beneficial Ownership Interest and the total revenue of each of MIG's road assets. Revenue is recognised under the local GAAP applicable to each road asset except as stated below.

Lusoponte receives semi-annual payments from the Government of Portugal according to an agreed schedule under the Global Financial Rebalance Agreement. For the purpose of this Report, revenue includes the amount received/receivable from the Government for each half year period, rather than the amount reflected within revenue under local GAAP.

### Operating expenses

Asset operating expenses are calculated by the aggregation of the product of the Beneficial Ownership Interest and the total operating expenses incurred by each of MIG's road assets. Operating expenses are recognised under the local GAAP applicable to each road asset.

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### Asset maintenance capex

Due to its nature, asset maintenance capex of road assets may fluctuate significantly from period to period and therefore this Report does not reflect the actual timing of cash outflows for maintenance capex. Rather, the Proportionate Earnings include a provision for future maintenance capex in each period.

The level of maintenance capex required is a function of road usage and therefore traffic volume is the driver for determining the provision charged to each period. The calculation allocates the total forecast future maintenance capex for a particular road over the current and all future periods to the end of the toll concession, on the basis of forecast traffic on that road (i.e. not on a straight line basis). Forecasts are reviewed and updated semi-annually to ensure the appropriateness of the calculation.

### Asset net interest expense

Asset net interest expense is the aggregation of net interest expense incurred by:

- the operator of the road asset; and
- entities interposed between any of the MIG stapled entities and the operator companies, which have debt that is non-recourse to MIG.

The definition of net interest expense includes all contractual interest expense, borrowing expenses and interest income payable to, or receivable from, third parties during the period. Interest and borrowing expenses, or interest income, in respect of shareholder loans or similar agreements are excluded from the definition of net interest expense. Interest and borrowing costs that are capitalised and/or amortised are also excluded from the definition of net interest expense. The amount therefore reflects the cash interest payable/receivable in respect of a particular period. In particular, for zero coupon bonds, interest expense is recorded in the year the bond matures.

### Asset net tax expense

Tax expense for the purposes of the calculation of asset net tax expense is that current tax expense determined with reference to the local GAAP applicable to each relevant asset. Where tax expense information is not available for a particular road asset, income tax paid or payable by that asset in the relevant year will be reflected rather than current tax expense. Asset net tax expense is made up of the aggregation of the following components:

- the product of the Beneficial Ownership Interest and the net current tax expense of each of MIG's road assets, where the operating company does not, in conjunction with any entities that are majority owned by one or a combination of the MIG stapled entities, form part of a consolidated group for tax purposes (Tax Consolidated Group); and
- the product of the Beneficial Ownership Interest in the ultimate holding company in a Tax Consolidated Group and the net current tax expense of the relevant Tax Consolidated Group.

### Gain on sale of road assets

As a global investor in toll roads, MIG derives income from the management of its portfolio of road assets which includes the sale of investments. Unless otherwise stated, the gain on sale of road assets is calculated as sales proceeds less the cost of acquisition adjusted for the road assets' Proportionate Earnings recognised in the Management Information Report from acquisition and distributions received from the asset. Gain on sale of road assets is reported net of any transaction costs and tax arising on the capital gain relevant to the transaction.

### Corporate net interest income

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

- any of the MIG stapled entities; and
- entities interposed between any of the MIG stapled entities and the operator companies which have debt that is recourse to MIG, if any.

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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 net expenses

Corporate net expenses reflect the aggregation of:

- all expenses paid by MIG (excluding acquisition and divestment costs), including base management fees and performance fees (to the extent that either or both are payable in cash and subsequently not reinvested in MIG securities);
- MIG's share of expenses from entities interposed between any of the MIG stapled entities and the operator companies not included in the assets' operating expenses; and
- current tax expense at the corporate level.

### Net debt amortisation

Reflective of the fact that net debt at each asset must be repaid prior to concession end, a charge is made to amortise the net debt over the concession life. Net debt amortisation as shown does not reflect actual cash debt repayments for the period, rather, it represents a provision for amounts that will be payable at a later date, prior to concession end. The amortisation charge for each period is determined on a pro-rata basis, with EBITDA as the allocation driver. That is, the net debt, less any amortisation and maintenance capex to date, is allocated over current and future periods to the end of the concession on the basis of forecast EBITDA. Maintenance capex to date is deducted from the net balance in order to avoid a double count, given that funding of maintenance capex increases net debt. EBITDA forecasts are reviewed and updated semi-annually to ensure appropriateness of the calculation. Corporate net debt is not amortised.

## 1.8.3 Aggregated Balance Sheet

The Aggregated Balance Sheet represents the aggregation of the balance sheets of each of the MIG stapled entities and their wholly owned subsidiaries, excluding entities that form part of the road operator company groups. All toll road investments are recognised at fair value, unlike the treatment in the MIG Interim Financial Report, where the M6 Toll is consolidated under the historical cost convention. The Aggregated Balance Sheet generates MIG's Net Asset Backing (NAB) per security.

## 1.8.4 Aggregated Cash Flow Statement

The Aggregated Cash Flow Statement represents the aggregation of the cash flows attributable to MIG security holders. This includes the cash flows of each of the MIG 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 MIG from its asset portfolio as well as MIG level corporate cash flows. All information in this Report relating to the Aggregated Cash Flow Statement is disclosed in Australian dollars using foreign currency exchange rates applicable to the relevant transactions included in Aggregated Cash Flow Statement.

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## 1.8.5 Proportionate Net Debt

### Road asset net debt

The net debt of road assets is calculated by the aggregation of:

- MIG's proportionate share of the net debt at each of MIG's road assets including the land fund liability<sup>1</sup> at M6 Toll; and
- MIG's proportionate share of the net debt held by entities interposed between any of MIG's stapled entities and its road assets that is non-recourse to MIG.

Net debt is calculated at each of MIG's road assets by subtracting total cash on hand (including restricted cash holdings) from total debt at the end of the period. 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. 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.

Net debt in relation to Real Return Bonds reflects the present value of expected future cash flows on the bonds discounted at the internal rate of return. This is as recorded in the financial statements of 407 ETR. Where interest rate swaps have been structured to better match the payment of interest with increasing revenue (e.g. M6 Toll and Indiana Toll Road), an effective interest rate for the swap is calculated. 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.

### Corporate net debt

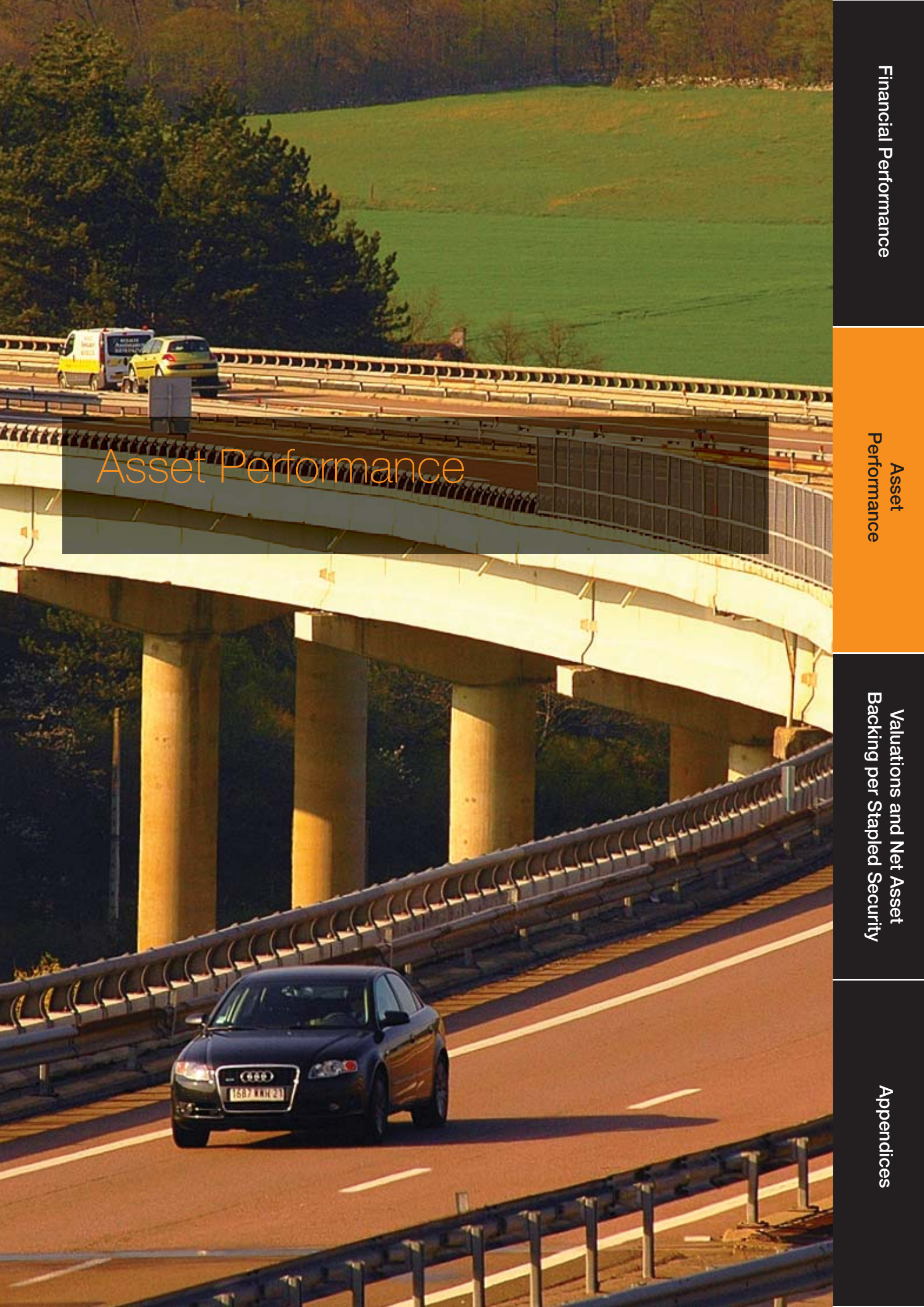
Net debt at the corporate level is calculated by the aggregation of:

- all net debt held by MIG stapled entities;
- all net debt held by entities interposed between any of the MIG stapled entities and the road asset companies, excluding debt that is non-recourse to MIG; and
- proportionate net debt held by Transtoll.

Corporate net debt is calculated by subtracting total cash on hand from total debt at the end of the period.

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<sup>1</sup> The land fund liability represents Midland Expressway Ltd's (the owner of the M6 Toll) obligation to repay the government for land acquisition costs incurred in developing the M6 Toll. Repayment of the liability will commence in FY 2010 and the liability will be fully repaid at December 2053.



Financial Performance

Asset  
Performance

Valuations and Net Asset  
Backing per Stapled Security

Appendices

# Asset Performance

## 2 ASSET PERFORMANCE

Pcp results presented in this section of the Report are prepared on a proforma basis unless otherwise stated. Sections 2.4 to 2.13 are reported on a 100% asset basis.

### 2.1 Traffic analysis

**Table 12 - Summary traffic growth 6 months to 31 December**

ASSET	Traffic Growth on pcp	
	6 Months to 31 Dec 08 %	6 Months to 31 Dec 07 %
407 ETR (Vehicle Kilometres Travelled)	(2.2%)	7.4%
M6 Toll	(11.8%)	(11.7%)
APRR	(3.3%)	3.0%
Westlink M7 (Vehicle Kilometres Travelled)	6.1%	14.4%
Dulles Greenway	(3.8%)	(4.9%)
Indiana Toll Road (Total Transactions)	(14.8%)	(2.3%)
Chicago Skyway	(7.5%)	(2.6%)
Tagus River Crossings	(2.0%)	1.5%
South Bay Expressway	No pcp	n/a
Warnow Tunnel	4.0%	2.1%
<b>Portfolio Weighted Average</b>	<b>(2.6%)</b>	<b>1.8%</b>

Weighted average traffic decreased 2.6% on pcp for the first half of financial year 2009. MIG has experienced lower traffic on all of its roads with the exception of Westlink M7 and Warnow Tunnel. The most significant impact on traffic volumes has been the continued slowdown of economic activity in MIG's asset locations, in particular Europe, the United Kingdom and the United States.

The impact of the economic slowdown has been particularly pronounced in the heavy vehicle classes of traffic with freight movements down significantly as a consequence of lower economic activity. Heavy vehicle traffic across European and North American portfolio is down circa 10%.

Below is some more detailed discussion of traffic on the US and French national networks:

- United States

US Department of Transportation estimates that the cumulative travel on all roads and streets for 2008 decreased by 3.7% (102.1 billion vehicle miles) as compared to 2007. For the month of November, travel volumes decreased 5.3% (12.9 billion vehicle miles) as compared to pcp. Overall, traffic for 2008 has approximately decreased to that of 2003 levels. The combination of a weak economy and high fuel prices between January and September, coupled with the harsher than expected winter weather, have led to 2008's traffic decline.

- France

On a national level, French motorway traffic decreased by 1.4% in 2008. This compares to a 3% increase in 2007. A total of 81.3 billion kilometres were travelled on motorways in 2008. Heavy vehicle traffic dropped by 2.4% and light traffic by 1.2%. The reduction was especially noticeable from the second quarter of 2008, with the sharp increase in oil prices and the slowing down of the economy. The price of diesel, which accounts for almost 75% of fuel sales in France, reached record levels in May, at EUR1.45 per litre.

In addition to the impacts of economic slowdown, traffic has also been impacted by various improvements made to the competing alternative routes on a number of roads, in particular the Dulles Greenway, M6 Toll, Chicago Skyway and Indiana Toll Road. Both the Chicago Skyway and the Indiana Toll Road have also been impacted by the temporary closure of the neighbouring road (Route I-65) that acts as a 'feeder route'. This road was re-opened to traffic on 25 November 2008.

## 2.2 Proportionate Earnings – by Asset

Table 13 – Actual Proportionate Earnings split by asset for the 6 months ended 31 December 2008

	407 ETR AUDm	M6 Toll AUDm	Eiffarie* AUDm	Westlink AUDm	Dulles AUDm	Skyway AUDm	ITR AUDm	SBX AUDm	Lusoponte AUDm	Warnow AUDm	TOTAL AUDm
Operating revenue	99.0	68.3	344.8	39.7	18.5	9.7	26.7	6.8	23.0	4.9	641.3
Operating expenses	(28.1)	(8.7)	(114.7)	(7.1)	(5.3)	(1.5)	(5.8)	(5.5)	(3.5)	(2.0)	(182.2)
<b>EBITDA from road assets</b>	<b>70.9</b>	<b>59.6</b>	<b>230.1</b>	<b>32.6</b>	<b>13.2</b>	<b>8.2</b>	<b>20.9</b>	<b>1.3</b>	<b>19.5</b>	<b>2.9</b>	<b>459.1</b>
Asset maintenance capex	(3.7)	(2.2)	(17.8)	(0.4)	(0.4)	(0.9)	(2.7)	(0.2)	(0.7)	(0.3)	(29.4)
Asset net interest expense	(32.7)	(32.3)	(85.6)	(20.1)	(4.3)	(5.6)	(24.3)	(5.4)	(8.7)	(4.7)	(223.7)
Asset net tax expense	-	-	(34.2)	-	-	-	-	-	(1.8)	-	(36.0)
<b>Proportionate Earnings from road assets</b>	<b>34.5</b>	<b>25.0</b>	<b>92.4</b>	<b>12.1</b>	<b>8.5</b>	<b>1.7</b>	<b>(6.1)</b>	<b>(4.3)</b>	<b>8.4</b>	<b>(2.1)</b>	<b>170.0</b>

Table 14 – Proforma Proportionate Earnings split by asset for the 6 months ended 31 December 2007

	407 ETR AUDm	M6 Toll AUDm	Eiffarie* AUDm	Westlink AUDm	Dulles AUDm	Skyway AUDm	ITR AUDm	SBX AUDm	Lusoponte AUDm	Warnow AUDm	TOTAL AUDm
Operating revenue	97.2	68.4	347.8	36.9	19.4	8.1	26.3	0.3	23.0	4.4	631.8
Operating expenses	(20.9)	(8.5)	(120.4)	(9.5)	(5.2)	(1.6)	(6.7)	(0.9)	(3.6)	(1.9)	(179.1)
<b>EBITDA from road assets</b>	<b>76.4</b>	<b>59.9</b>	<b>227.4</b>	<b>27.4</b>	<b>14.2</b>	<b>6.4</b>	<b>19.6</b>	<b>(0.6)</b>	<b>19.4</b>	<b>2.5</b>	<b>452.7</b>
Asset maintenance capex	(4.0)	(3.1)	(17.5)	(0.2)	(0.4)	(0.8)	(4.0)	(0.1)	(0.6)	(0.3)	(31.0)
Asset net interest expense	(31.0)	(28.8)	(90.0)	(19.3)	(1.7)	(4.6)	(23.0)	-	(8.9)	(3.5)	(210.9)
Asset net tax expense	-	-	(27.7)	-	-	-	-	-	(1.9)	-	(29.6)
<b>Proportionate Earnings from road assets</b>	<b>41.3</b>	<b>28.1</b>	<b>92.2</b>	<b>7.9</b>	<b>12.2</b>	<b>1.0</b>	<b>(7.4)</b>	<b>(0.7)</b>	<b>8.0</b>	<b>(1.4)</b>	<b>181.2</b>

\* Eiffarie figures represent a consolidation of APRR, AREA and Eiffarie.

## 2.3 Asset debt coverage ratios

### 2.3.1 Debt service coverage ratios (DSCR) and covenants

Table 15 - Debt service coverage ratios and covenants

ASSET	DSCR as at 31 Dec 08	DSCR as at 30 Jun 08	Equity Lock-up Covenant
407 ETR	2.3 x	2.6 x	1.35 x
M6 Toll	2.6 x	2.5 x	1.40 x
APRR <sup>1</sup>	1.5 x	1.5 x	1.25 x
Westlink M7	1.6 x	1.5 x	1.30 x
Dulles Greenway <sup>2</sup>	1.1 x	1.2 x	1.25 x
Indiana Toll Road <sup>3</sup>	1.0 x	1.0 x	1.15 x
Chicago Skyway	2.1 x	2.3 x	1.60 x
South Bay Expressway <sup>4</sup>	n/a	n/a	1.25 x
Warnow Tunnel	1.4 x	1.2x	1.05 x
Weighted Average <sup>5</sup>	<b>2.1x</b>	<b>2.1 x</b>	

The methodology for calculation of the Debt Service Coverage ratios has been set out in Appendix 8 of this document.

In considering debt ratios, project financiers also look to the Project Life Cover Ratio (PLCR), amongst other measures, as a guide to the strength of the security. The PLCR is the ratio of the net present value of cash flow available for debt service over the project life to the amount of net debt outstanding. The PLCR attempts to assess the ability of a project to repay all debt over the project life. The weighted portfolio duration of MIG's toll road concessions is 61 years.

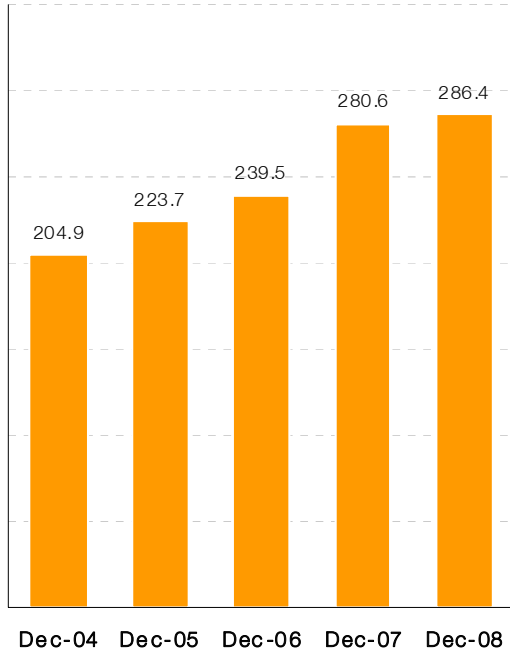
Based on independent traffic forecasts, the range of PLCR's for the individual assets in MIG's portfolio is approx. 1.5 times (for APRR) to in excess of 10.0 times (for the 407ETR).

- 1 These figures are on a consolidated basis including APRR, AREA and Eiffarie and are un-audited and are subject to change
- 2 The DSCR for Dulles Greenway excludes interest income per the bond indenture. If interest income was included, the DSCR at 31 December 2008 was 1.2x.
- 3 Per the original financing agreement, ITR has a liquidity facility in place to fund debt service while cash flows are ramping up. The amount drawn on the liquidity facility during each period is equal to an amount such that actual DSCR is brought to 1.00x. As of 31 December 2008, USD72.5m of the USD150m liquidity facility has been drawn of the USD150m facility limit.
- 4 South Bay Expressway is not subject to any coverage tests until 31 December 2010. PLCR for SBX includes cash balances on reserve per loan documents.
- 5 MIG Portfolio DSCR calculated as (EBITDA from road assets minus corporate expenses)/(net interest expense minus corporate net interest income)

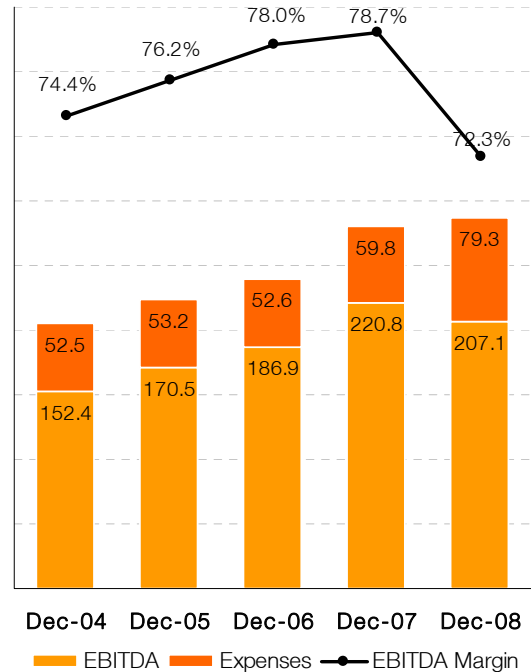
## 2.4 407 ETR - Toronto, Canada

### 2.4.1 Financial Performance

**Figure 8 - 407 ETR Revenue (CADm), 6 months ended 31 December**



**Figure 9 - 407 ETR EBITDA (CADm), 6 months ended 31 December**



Revenue on the 407 ETR has increased 2.1% from CAD280.6m in the first half of FY2008 to CAD286.4m in the first half of this year. The major factors influencing revenue were:

- The average toll on the 407 ETR as at 31 December 2008 was CAD4.20, this is up marginally from the average toll of CAD4.18 as at 31 December 2007 and represents an increase in average tolls of 0.5%. This change in average toll has been the result of the toll increase introduced on 1 February 2008, offset by the reduction in average trip length.
- The average trip length as at 31 December 2008 was 19.4km, this is slightly lower than the average trip length at the same time last year of 19.6km and is the result of a greater reduction in non-workday trips (which are typically longer trips) compared to workday trips.
- A decrease in Video Transponder charges was due to a provision taken as was a non cash item.
- A reduction in overall traffic on the road, with total VKT falling 2.2% against the pcp. The major drivers of traffic changes are detailed further in section 2.4.3.

EBITDA of CAD207.1m decreased by 6.2% against pcp, and was impacted by a large non recurring provision for doubtful debts relating to the historic suspension of plate denial. Adjusting for this non recurring item, EBITDA was 5.0% above pcp.

2009 peak tolls will rise to 19.85 cents between highway 403/QEW and Highway 400, from 19.25 cents (3.1% increase). The off peak rate for the entire road is being held constant from 2008 to 2009. A new trip toll of 25 cents per trip was introduced for all light vehicles. Video toll charges were reduced by 10%, while transponder users will also receive a reduction in the monthly lease fee paid for transponders.

## 2.4.2 Operational initiatives

During the first six months of the financial year a number of operational initiatives continued, these included:

- Construction continued on the widening of Highway 407 between Markham Road and York/Durham Line. The lane widening of this section (E1) is scheduled to commence operation in spring 2009 and will add 13.4 lane km to the highway.
- The 407 has implemented new toll road video cameras at approximately 15 tolling sites. The work started in October 2008 and will deliver several advantages:
  - No light sensor required
  - Larger image (able to read licence plates mounted high on trucks)
  - Increased sensitivity
  - Higher resolution for improved OCR accuracy
- These new cameras should reduce overall leakage, notably video trips by trucks
- On 24<sup>th</sup> November 2008, 407 ETR was presented with a Canadian Council for Public Private Partnerships award for innovation and excellence in service delivery.

The Ontario provincial Government has announced plans for construction of the Eastern Extension as well as its intention to toll this new section of the road.

## 2.4.3 Traffic

**Table 16 - 407 ETR traffic performance**

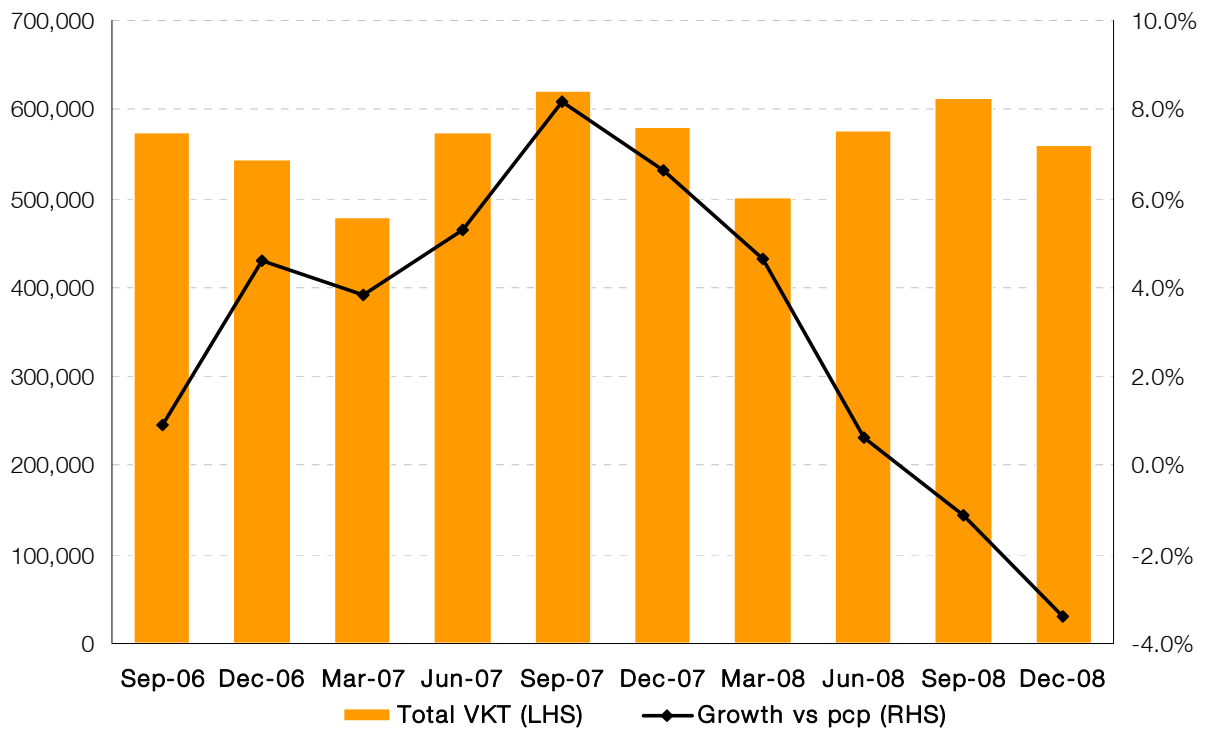
Category	Quarter to Date			Year to Date		
	Oct-Dec 2007	Oct-Dec 2008	Change vs. pcp	Jul-Dec 2007	Jul-Dec 2008	Change vs. pcp
Vehicle Km travelled (000's)	580,020	<b>560,395</b>	<b>(3.4%)</b>	1,200,550	<b>1,173,997</b>	<b>(2.2%)</b>
Average workday trips	384,219	<b>377,014</b>	<b>(1.9%)</b>	388,289	<b>384,328</b>	<b>(1.0%)</b>
Average daily trips	315,009	<b>310,162</b>	<b>(1.5%)</b>	318,311	<b>317,000</b>	<b>(0.4%)</b>
Workdays in period	63	<b>63</b>	-	125	<b>126</b>	<b>+1</b>
Non workdays in period	29	<b>29</b>	-	59	<b>58</b>	<b>-1</b>

Traffic in the first half of 2009, as measured by Vehicle Kilometres Travelled (VKT), has fallen 2.2% against pcp as a consequence of the reduction in trips, driven primarily by the continuing impact of slowing economic activity across North America, which in recent months has begun to have a larger impact on the economic activity within the greater Toronto area.

In addition to these macro economic influences, severe weather has also dampened traffic. Snowfall in the month of December 2008 was 45% greater than December 2007 (64.8 cm compared to 44.4 cm). As of 21 January 2009, snowfall in Toronto has totalled 115cm for the winter season, compared with 78cm during the comparable period of the 07-08 winter season.

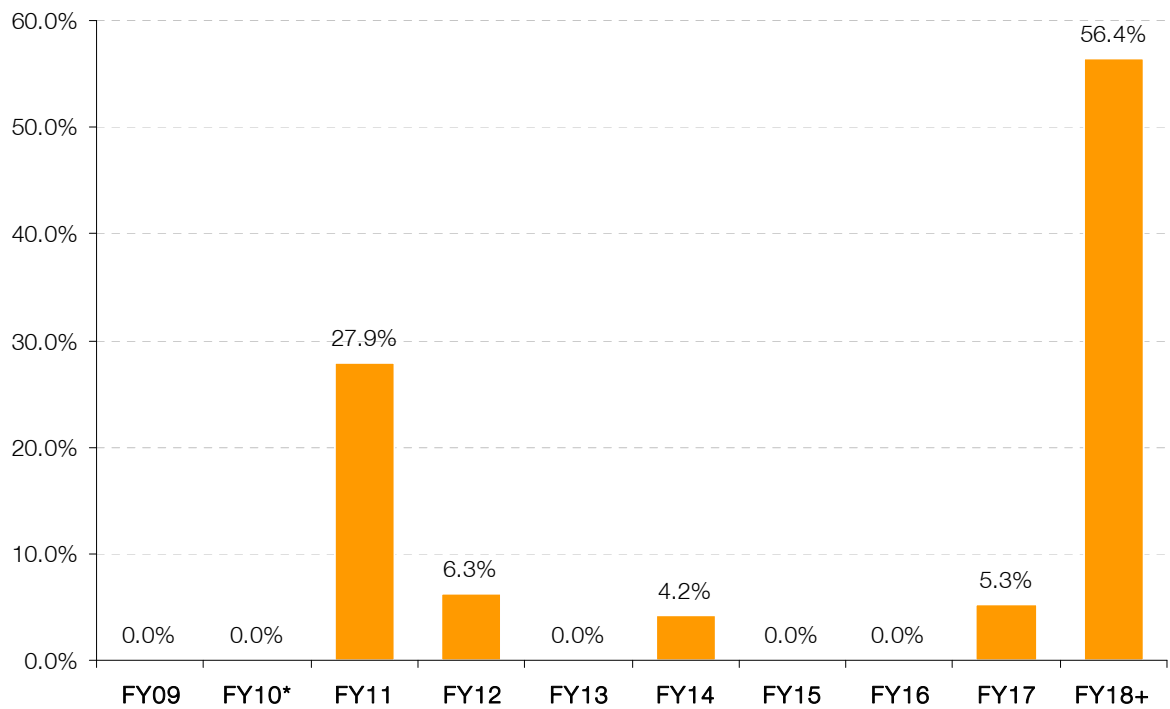
The reduction in Average Workday Trips by 1.0% is primarily a consequence of the slowing economic activity and has been the principal driver of the 0.4% reduction in Average Daily Trips.

Figure 13- 407 ETR quarterly traffic performance (VKT)



#### 2.4.4 Financing and debt

Figure 10 - 407 ETR debt maturity profile



\* CAD165.0m of extendable debt maturities are assumed to be extended by holders to 2040.

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## Ratings reviews

During the course of the first half of financial year 2009, the 407 ETR was subject to regular ratings review from both entities that rate the outstanding bond issuances, S&P and DBRS. On 16 Sept 2008, S&P re-affirmed its long term 'A' rating with a stable outlook, whilst on 30 October 2008, DBRS also re-affirmed its long term issuer credit rating of 'A' for senior bonds.

## Debt refinancing

The 407 ETR had CAD400m of maturing debt in July of 2009, and a desire to raise approximately CAD60m of debt for 2009 lane widening and miscellaneous capital expenditures. On 15 January 2009, CAD500m of bonds were issued through a syndicate of Canadian Banks as follows:

- CAD200m of the issue was 5yr senior debt, issued at a yield of 5.12% or 345 bps spread above the corresponding Government of Canada Curve
- CAD300m of the issue was 3yr senior debt, issued at a yield of 4.69% or 340 bps spread above the corresponding Government of Canada Curve
- The weighted average yield of the issued debt is 4.86% or 342 bps spread above the corresponding Government of Canada Curve. This compares favourably to the CAD400m of refinanced debt that had a coupon rate of 6.05%.

This capital raising completes the 2009 refinancing requirements for the 407 ETR, Figure 10 on the previous page reflects this refinancing.

## 2.5 M6 Toll – Birmingham, UK

### 2.5.1 Financial performance

Figure 11 – M6 Toll Revenue (GBPm), 6 months ended 31 December

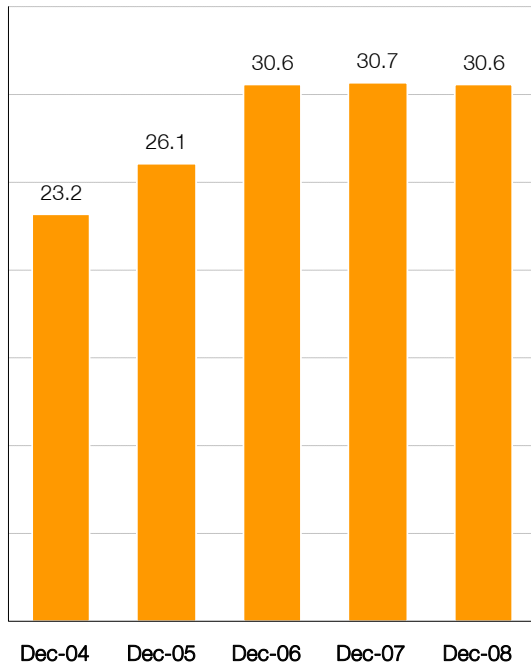
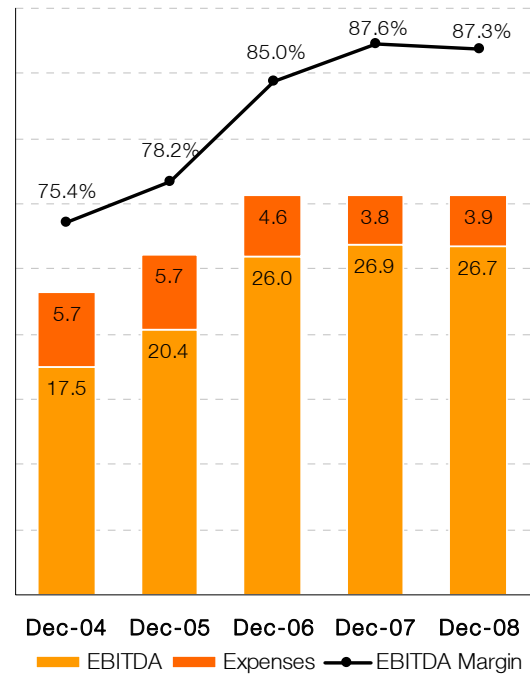


Figure 12 - M6 Toll EBITDA (GBPm), 6 months ended 31 December



Revenues for the first half were flat compared to pcp, with a reduction in traffic volumes (down 11.8%), due mainly to weaker economic activity across the United Kingdom, offset by toll increases that were introduced on 1 January 2008.

Operating costs are in line with prior period.

On 27 November 2008, the M6 Toll announced a new toll schedule which came into effect on 1 January 2009.

- Cars will increase 20p to GBP4.70 (4.4%) at main toll plazas during weekday day times and Trucks/Vans will increase 40p to GBP9.40 (4.4%) and GBP8.40 (5.0%) at main toll plazas and ramps respectively at similar times. There is no change for weekend and night toll rates.
- Tag and Ramp discounts are maintained at current levels.
- These increases were broadly in line with inflation levels.

## 2.5.2 Operational initiatives

Overall tag penetration in the December quarter was higher at 11.3%, compared to the December quarter 2007 at 10.1%.

Non-cash transactions represented 53% of total transactions and non-attended transactions, including those using automated coin machines, accounted for 74.2% of total transactions in the December 2008 quarter.

The Highways Agency are reviewing their options with respect to the M54 extension project.

## 2.5.3 Traffic

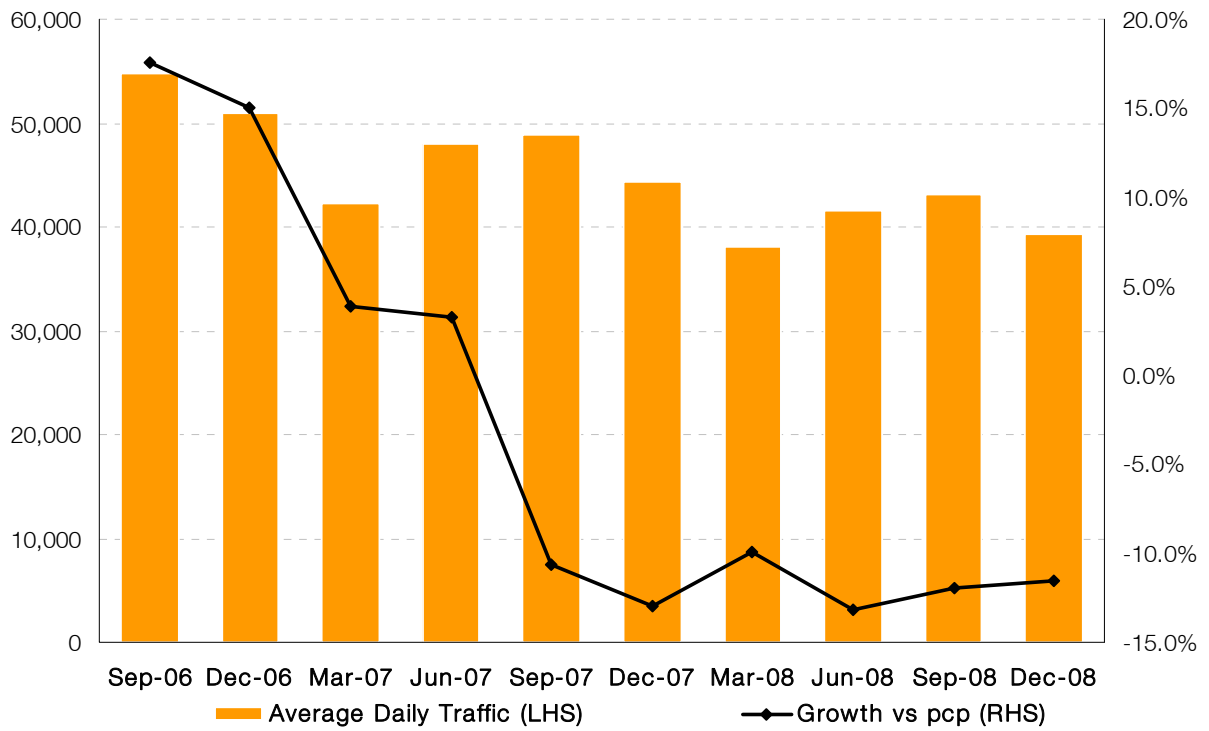
**Table 17 - M6 Toll traffic performance**

Category	Quarter to Date			Year to Date		
	Oct-Dec 2007	Oct-Dec 2008	Change vs. pcp	Jul-Dec 2007	Jul-Dec 2008	Change vs. pcp
<b>Average daily revenue</b>						
Revenue (GBP)	154,741	<b>154,288</b>	<b>(0.3%)</b>	163,190	<b>162,037</b>	<b>(0.7%)</b>
<b>Average daily traffic</b>						
Average workday trips	48,474	<b>43,939</b>	<b>(9.4%)</b>	50,904	<b>45,447</b>	<b>(10.7%)</b>
Weekends/public holidays	34,570	<b>28,640</b>	<b>(17.2%)</b>	36,976	<b>31,151</b>	<b>(15.8%)</b>
All days	44,401	<b>39,283</b>	<b>(11.5%)</b>	46,665	<b>41,174</b>	<b>(11.8%)</b>
Non-cash transactions	41%	<b>53%</b>	-	41%	<b>50%</b>	-
Workdays in period	64	<b>64</b>	-	128	<b>129</b>	+1
Non workdays in period	28	<b>28</b>	-	56	<b>55</b>	-1

Average Daily traffic was 11.8% below pcp for the first half of financial year 2009. Traffic continues to be negatively impacted by the weak UK economy. Within the half, there was no noticeable change in the second quarter as compared to the first quarter.

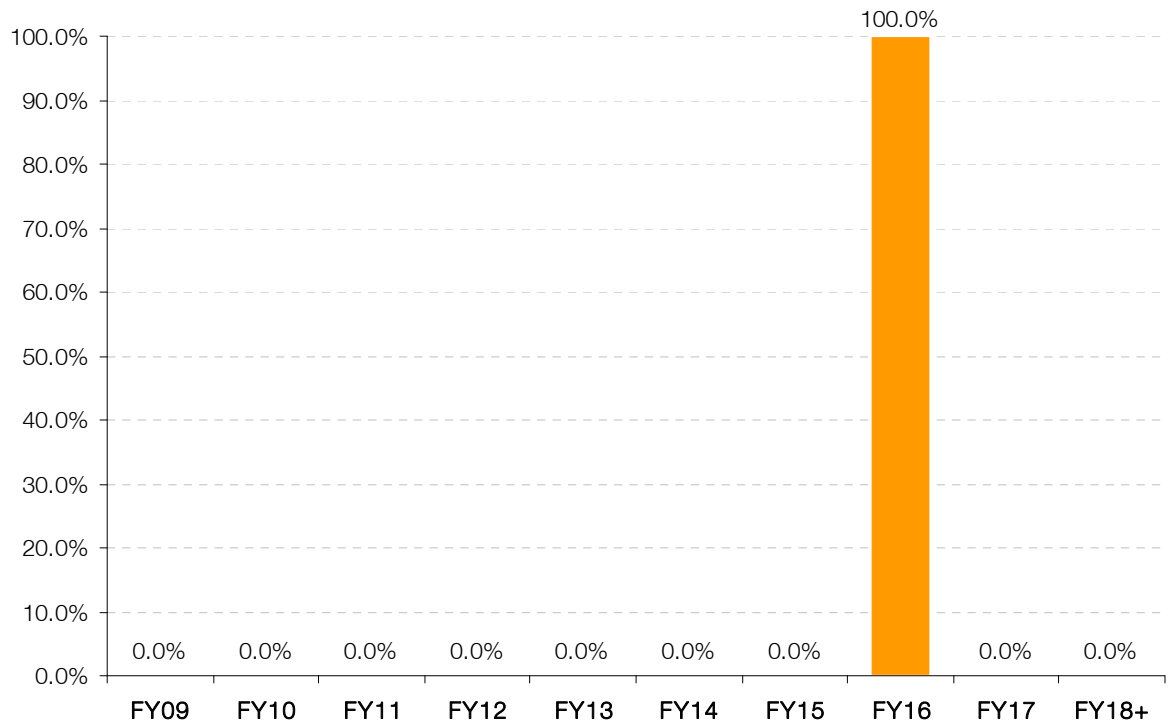
Average fuel prices fell again in December, with the cost of petrol dropping from GBP0.95 to GBP0.89 per litre. The price peaked at GBP1.19 in July.

Figure 13 - M6 Toll quarterly traffic performance



#### 2.5.4 Financing and debt

Figure 14 - M6 Toll debt maturity profile



The M6 Toll has not had any major developments with respect to its debt position during the first half of the year and remains well in excess of debt service coverage ratio covenants. The debt facility is not due to mature until FY 2016, however a cash sweep of 40% is due to commence in FY 2012.

## 2.6 Autoroutes-Paris-Rhin-Rhône (APRR) – France

### 2.6.1 Financial performance

Figure 15 – APRR Revenue (EURm), 6 months ended 31 December<sup>1</sup>

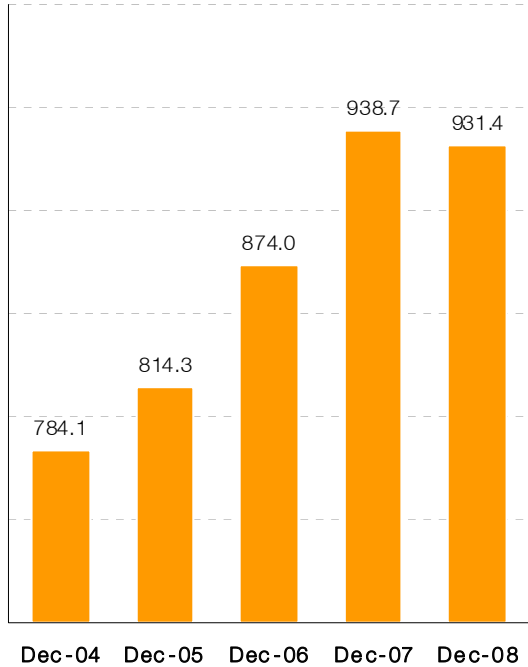
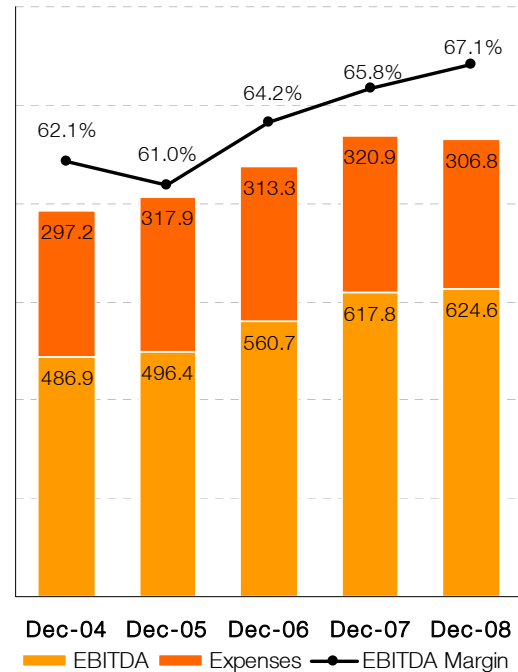


Figure 16 - APRR EBITDA (EURm), 6 months ended 31 December<sup>1</sup>



<sup>1</sup> The above results in figures 15 and 16 include 100% of the results of APRR and Eiffarie in which MIG holds effective interests of 20.4% and 25% respectively. Eiffarie is the holding company for the consortium's interest in APRR.

Consolidated revenues totalled EUR931.4m in the 6 months ended 31 December 2008, down 0.8% from EUR938.7m in the 6 months ended 31 December 2007. Toll revenues, which account for 97.1% of total revenues, decreased by 0.9%, and other revenues increased by 3.5%.

For the 6 Months ended 31 December 2008, EBITDA was EUR624.6m, representing an increase of 1.1% against pcp, with lower revenue offset by a 4.3% reduction in expenses.

Motorways tariffs are reviewed each year on terms and conditions established contractually with the French State. For 2009, in accordance with the concession agreement, APRR (Autoroutes Paris-Rhin-Rhône) and AREA (Autoroutes Rhône-Alpes) have been allowed a 1.9% tariff increase, as at 1 February 2009. However, at the request of the French State, APRR and AREA have agreed, in view of current discussions with the State to postpone the implementation of this tariff increase by 2 months to 1 April 2009.

### 2.6.2 Operational initiatives

Discussions are ongoing with respect to the replacement 5 year management contract that establishes both the required capital expenditure program and the allowable toll increases.

The new, 19.3-kilometre long Liane section of the A41 Nord motorway was brought into service on 22 December 2008. The concession holder for this new motorway section is Adelac, a 49.9% owned subsidiary of

AREA. As Adelac is consolidated by the equity method, the traffic and revenues of this new motorway section will not be included in the figures reported by APRR Group.

The Maurice Lemaire tunnel in Eastern France, linking Alsace and Lorraine, was reopened to traffic on 1 October after being closed to carry out work to add a safety gallery and modernise this infrastructure. Traffic and revenues will be included in figures updated by APRR.

The number of active 'Liber-t' badges increased to 607,000 at 31 December 2008, up 19.5% year-on-year. 67.8% of transactions during 2008 have been automatic, up from 58.3% last year.

40.3% of customers used an electronic 'Liber-t' badge, compared to 29.6% in 2007. Liber-t usage for heavy goods vehicles has risen to around 80% since the widespread introduction in April 2008.

### 2.6.3 Traffic

**Table 18 - APRR traffic performance**

Category	Quarter to Date			Year to Date		
	Oct-Dec 2007	Oct-Dec 2008	Change vs. pcp	Jul-Dec 2007	Jul-Dec 2008	Change vs. pcp
<b>Vehicle Kms travelled (000's)</b>						
Light vehicles	3,828	<b>3,729</b>	<b>(2.6%)</b>	9,210	<b>8,974</b>	<b>(2.5%)</b>
Heavy vehicles	901	<b>807</b>	<b>(10.5%)</b>	1,753	<b>1,630</b>	<b>(7.0%)</b>
<b>TOTAL</b>	<b>4,729</b>	<b>4,536</b>	<b>(4.1%)</b>	<b>10,963</b>	<b>10,604</b>	<b>(3.3%)</b>
Workdays in period	64	<b>64</b>	-	128	<b>128</b>	-
Non workdays in period	28	<b>28</b>	-	56	<b>56</b>	-

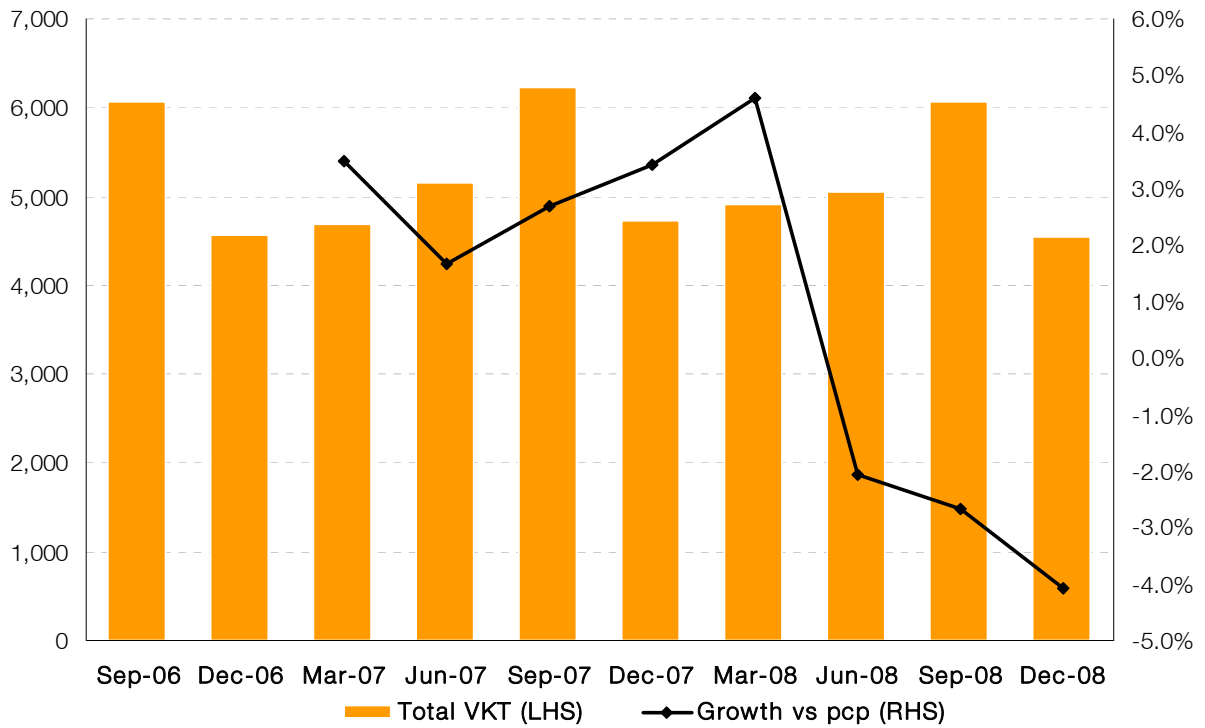
For the period July – December 2008 traffic, measured by the number of kilometres travelled, declined by 3.2% compared to pcp. Light vehicle traffic declined by 2.5%, bearing in mind traffic in the fourth quarter of 2007 benefited from the strike at the French national railway company SNCF in November.

Heavy goods vehicle traffic declined for the period July – December 2008 by 7.0%, reflecting the poor general economic environment. The fallback in traffic has been particularly marked since the second fortnight of October with a spate of company announcements warning staff were being put on short-time working.

On a national level, French motorway traffic decreased by 1.4% in 2008, the first drop since 1980 when these statistics were first recorded. This compares to a 3% increase in 2007. A total of 81.3bn kilometres were travelled on motorways in 2008. HGV traffic dropped by 2.4% and light traffic by 1.2%. The reduction was especially noticeable from the second quarter of 2008, with the sharp increase in oil prices and the slowing down of the economy. The price of diesel, which accounts for almost 75% of fuel sales in France, reached record levels in May, at EUR1.45 per litre.

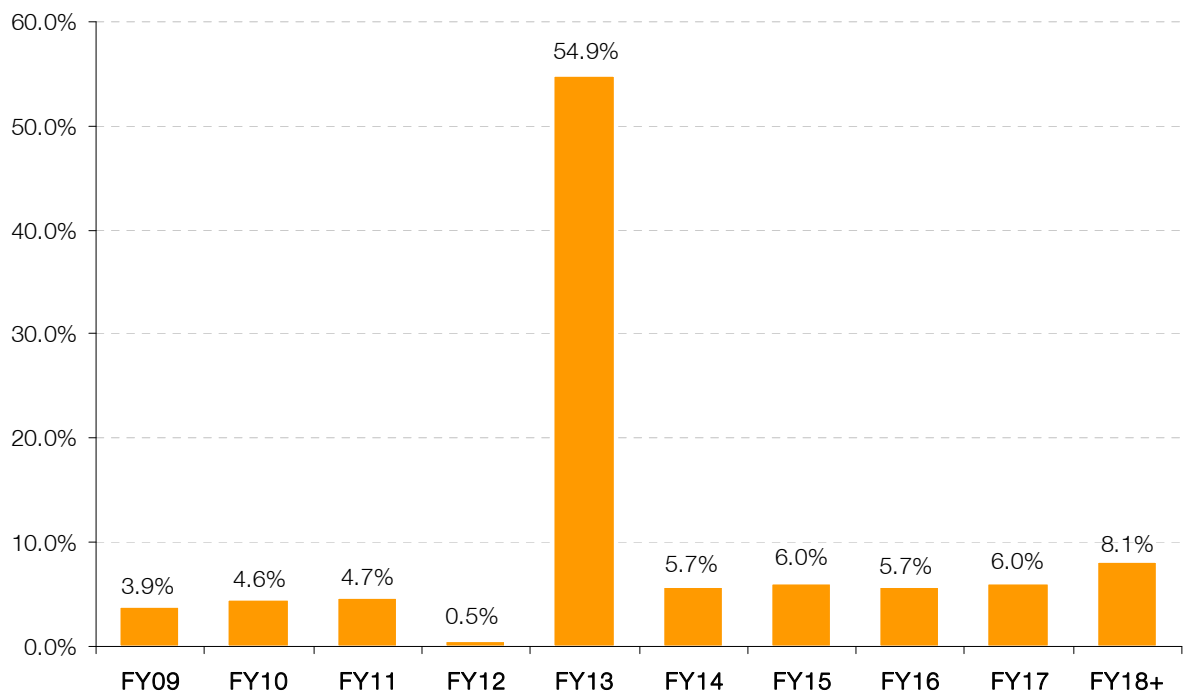
Traffic volumes remain extremely volatile but December was encouraging as light vehicle traffic held relatively steady, despite poor travelling conditions due to the snowfalls experienced in the first fortnight.

Figure 17 - APRR quarterly traffic performance (VKT)



#### 2.6.4 Financing and Debt

Figure 18 – APRR/Eiffarie debt maturity profile



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Throughout the first half of financial year 2009 APRR continued to raise further debt for CNA maturities as they fell due. New debt issues for the six months to December 2008 totalled approximately EUR600m.

Since 30 June 2008, APRR has completed a number of new debt issuances, including:

- A EUR250m 6 year bank facility drawn in July 2008, that has been swapped at a rate of 3.23%, and was completed at a margin of 150bps.
- A EUR200m 7 year French CPI linked commercial paper issue in October 2008 that was issued at a margin of approx. 312 bps.
- A EUR50m bank facility established in December 2008 that matures in December 2012, with the margin stepping up from 2.5% in 2009 to 3.0% in 2010.
- A EUR91m 10 year CNA debt drawn in December 2008 and maturing in 2018, issued at a coupon of 4.5%.

## 2.7 Westlink M7 – Sydney, Australia

### 2.7.1 Financial performance

Figure 19 – Westlink M7 Revenue (AUDm), 6 months ended 31 December

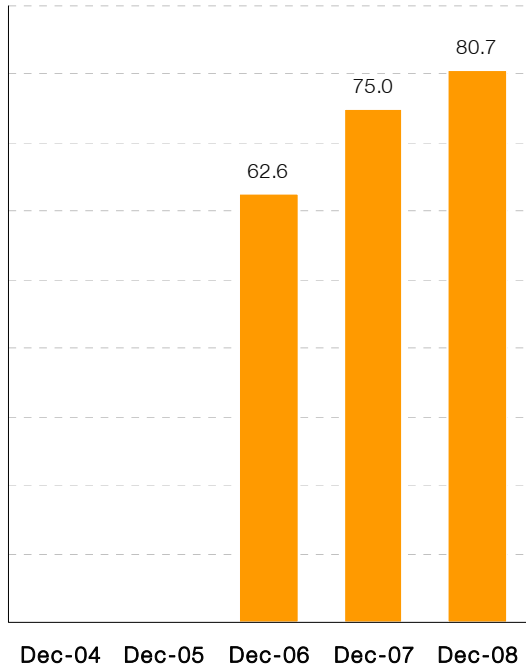
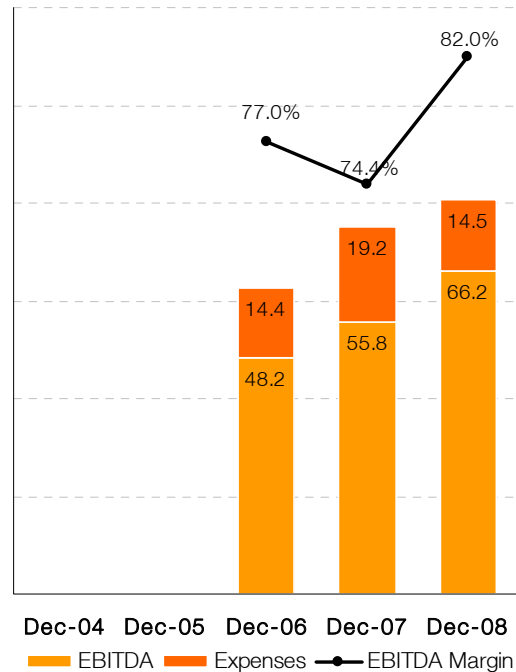


Figure 20 - Westlink M7 EBITDA (AUDm), 6 months ended 31 December



Operating revenue for the first 6 months of the financial year increased 6.2% to AUD80.7m from AUD75.0m in the pcp. The increase in revenue has been driven by the continuing increase in traffic volumes (which were up (5.9%) as the road continues ramp up, as well as small quarterly CPI linked toll increases.

Operating expenses in the first half of the year have fallen AUD4.7m (24%) as a consequence of the non-recurrence of costs associated with Westlink's credit ratings in the pcp, as well as a reduction in tolling and customer management expenses in the 6 months ended 31 December 2008.

### 2.7.2 Operational initiatives

Tag penetration averaged 90.2% throughout the first half of the financial year 2009.

Westlink is working with the Operator, Westlink Services and Roam, the tolling and customer services provider, to identify areas of potential cost savings that can be realised when the contract price renegotiations occur at the end of 2010.

Westlink and Westlink Services are reviewing the existing long term major maintenance schedule that has been in place since the original bid in 2003 with a view to developing a revised schedule.

### 2.7.3 Traffic

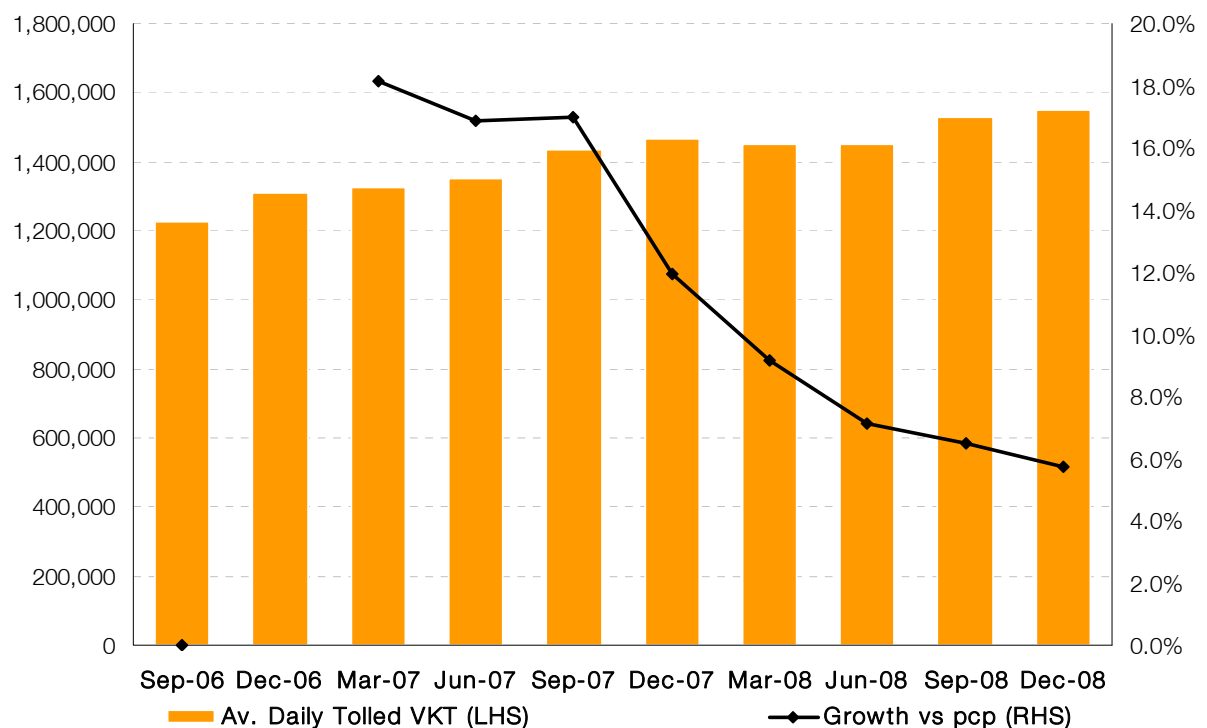
Table 19 - Westlink M7 traffic performance<sup>1</sup>

Category	Quarter to Date			Year to Date		
	Oct-Dec 2007	Oct-Dec 2008	Change vs. pcp	Jul-Dec 2007	Jul-Dec 2008	Change vs. pcp
<b>Average daily revenue</b>						
Revenue (AUD)	461,248	<b>509,688</b>	<b>10.5%</b>	453,634	<b>502,360</b>	<b>10.7%</b>
<b>Average daily traffic</b>						
Average workday trips	129,594	<b>136,553</b>	<b>5.4%</b>	127,851	<b>135,088</b>	<b>5.7%</b>
All days	115,025	<b>120,869</b>	<b>5.1%</b>	113,585	<b>120,230</b>	<b>5.9%</b>
Avg. daily tolled VKT	1,466,607	<b>1,550,618</b>	<b>5.7%</b>	1,451,070	<b>1,539,485</b>	<b>6.1%</b>
Workdays in period	63	<b>63</b>	-	127	<b>129</b>	<b>+2</b>
Non workdays in period	29	<b>29</b>	-	57	<b>55</b>	<b>-2</b>

<sup>1</sup> Westlink M7 operates a distance-based electronic tolling system where tolls are capped for trips exceeding 20 kilometres. The December 2008 quarter trip cap was AUD6.57 and the Average Daily Tolled Vehicle Kilometres Travelled was calculated using the December 2008 quarter toll price of AUD0.3287 per km.

Average daily trips increased 5.9% in the first half of the year compared to pcp, with average daily tolled vehicle kilometres travelled increasing 6.1% in the period. The road continues to ramp up and perform well against expectations.

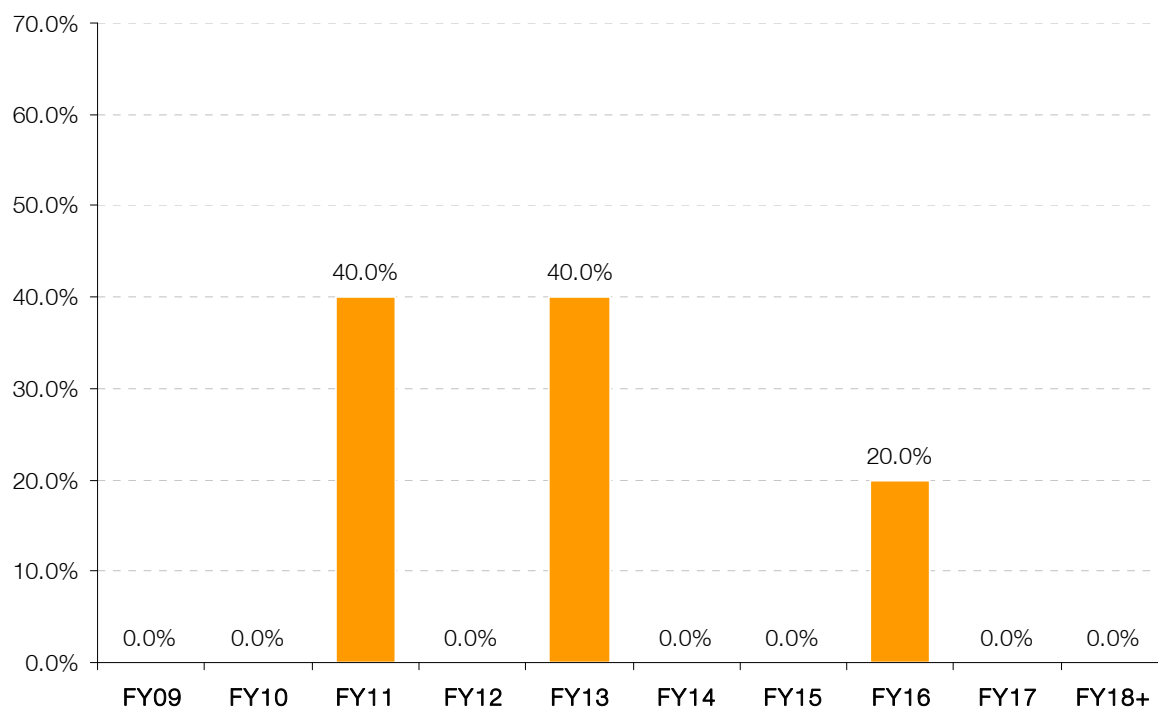
Figure 21 - Westlink M7 quarterly traffic performance



## 2.7.4 Financing and debt

There were no major developments on the Westlink debt position during the first half of the year with Westlink performing well against debt service coverage ratio covenants. The first refinancing on Westlink is a maturity of AUD500.0m required in FY 2011.

Figure 22 - Westlink M7 debt maturity profile



## 2.7.5 Sale of interest in Westlink M7

On 1 December 2008, MIG announced that it had accepted a binding offer for 100% of its interest in Westlink M7 toll road from the Western Sydney Road Group (WSRG). WSRG is owned in equal parts by MIG and funds managed by QIC Private Capital Pty Limited (a wholly owned subsidiary of QIC, a leading Australian institutional investment manager) on behalf of its clients. The sale was subject to the pre-emptive rights of the other shareholder in Westlink M7.

The binding offer is AUD805m and will generate net proceeds for MIG of approximately AUD402.5m. The price will deliver for investors an internal rate of return of 25.9%, and implies an enterprise value of AUD2.8bn for Westlink M7, representing an EV/EBITDA multiple of 23.9x.

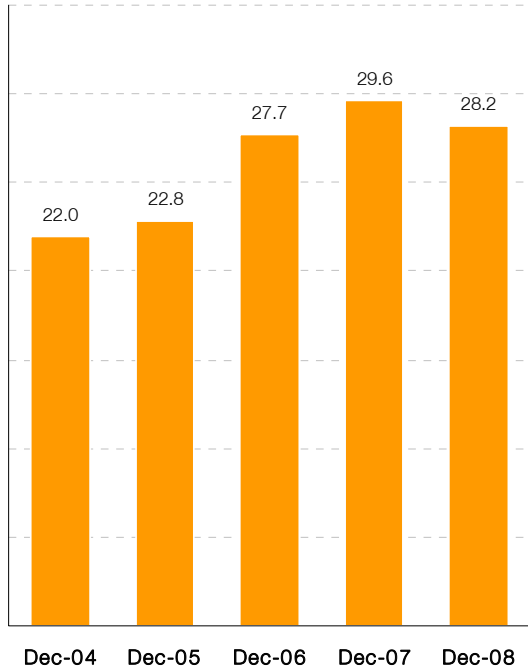
On 13 January 2009, the other shareholder in the Westlink M7 announced that they would not exercise their pre-emptive rights and MIG is in ongoing discussions regarding a sell-down of its remaining interest in WSRG to third party investors.

Completion of the sale to WSRG is subject to certain conditions precedent.

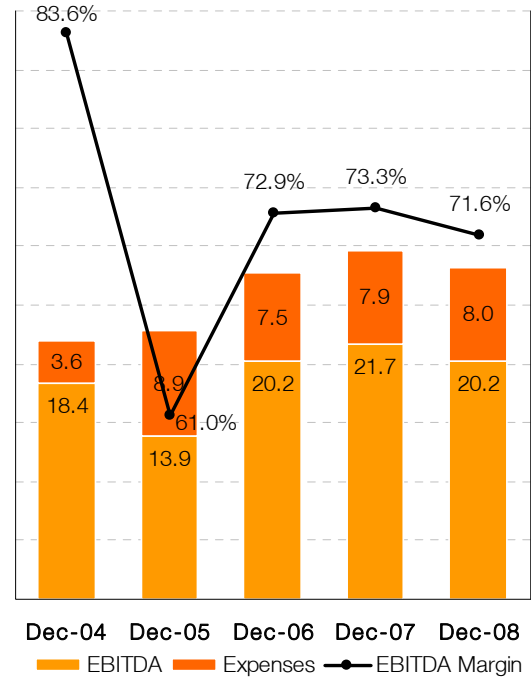
## 2.8 Dulles Greenway – Virginia, United States

### 2.8.1 Financial performance

**Figure 23 – Dulles Greenway Revenue (USDm), 6 months ended 31 December**



**Figure 24 - Dulles Greenway EBITDA (USDm), 6 months ended 31 December**



Revenue has decreased by 4.7% compared to pcp due to a reduction in traffic volumes and slightly reduced average tolls caused by a reduction in the proportion of heavy vehicle traffic.

EBITDA for the first half of the year fell USD1.5m, mainly due to the reduction in revenue.

The EBITDA margin for the six months was 1.7 percentage points lower than pcp due to lower revenues and flat operating and maintenance expenses.

A toll increase was implemented on 1 January 2009. Weekday tolls were increased at the mainline toll plaza by 13% for off-peak periods and by 33% for peak periods.

This new toll schedule is in accordance with the SCC Toll Order dated 11 September 2007. This legislation allows the Dulles Greenway to increase tolls annually from 1 January 2013 through to 1 January 2020 by the highest of the following three measures being the increase in CPI plus 1%, growth in real GDP or 2.8%.

## 2.8.2 Operational initiatives

TRIP II's violation rate is less than 1% of traffic and TRIP II has a high violation recovery rate. Improvements to violation enforcement systems are currently being evaluated.

The 2005 Capital Improvement Plan has been substantially completed and the ramp project to the Dulles Airport has now been assumed by MWA with construction expected to be completed in the first half of 2009. When opened, it will provide a direct east bound connection into Dulles Airport.

## 2.8.3 Traffic

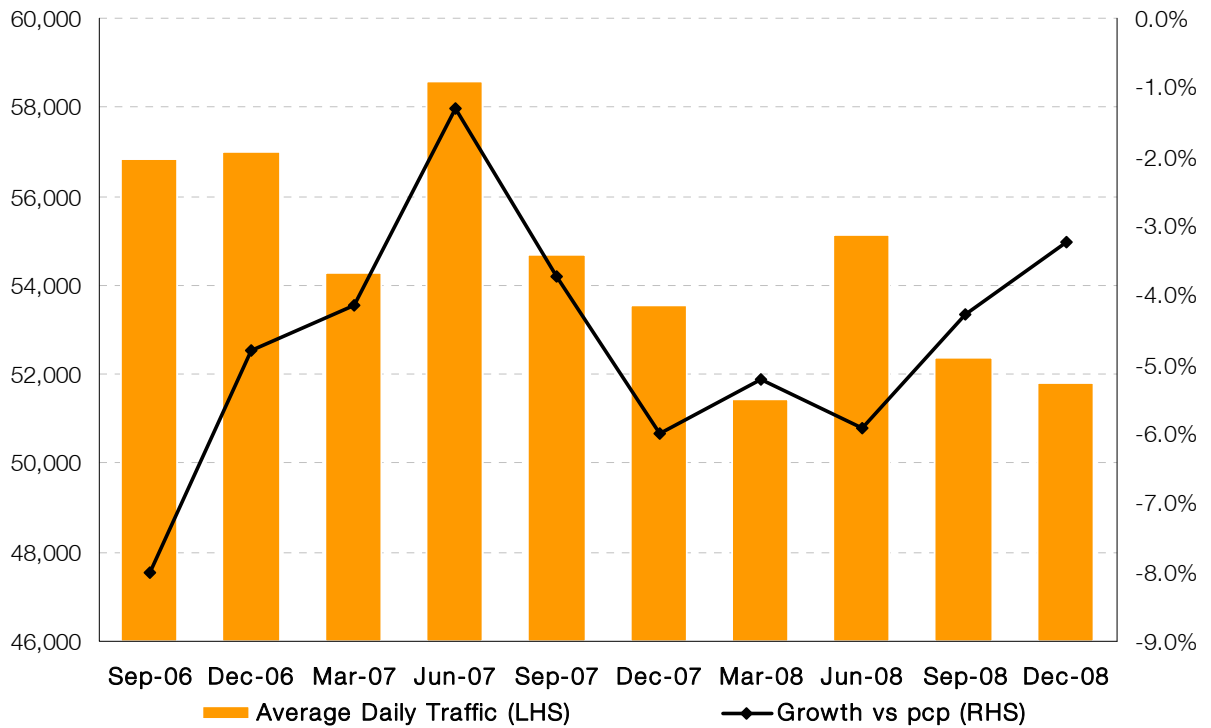
**Table 20 - Dulles Greenway traffic performance**

Category	Quarter to Date			Year to Date		
	Oct-Dec 2007	Oct-Dec 2008	Change vs. pcp	Jul-Dec 2007	Jul-Dec 2008	Change vs. pcp
<b>Average daily revenue</b>						
Revenue (USD)	157,084	<b>151,161</b>	<b>(3.8%)</b>	158,560	<b>152,435</b>	<b>(3.9%)</b>
<b>Average daily traffic</b>						
Average workday trips	61,976	<b>59,896</b>	<b>(3.4%)</b>	62,867	<b>60,443</b>	<b>(3.9%)</b>
Weekends/public holidays	34,314	<b>33,365</b>	<b>(2.8%)</b>	34,665	<b>33,003</b>	<b>(4.8%)</b>
All days	53,557	<b>51,821</b>	<b>(3.2%)</b>	54,130	<b>52,092</b>	<b>(3.8%)</b>
Non-cash transactions	84.0%	<b>84.2%</b>		80.6%	<b>84.0%</b>	
Workdays in period	64	<b>64</b>	-	127	<b>128</b>	+1
Non workdays in period	28	<b>28</b>	-	57	<b>56</b>	-1

Average Daily Traffic (ADT) on the Dulles Greenway in the first half has decreased 3.8% compared to pcp.

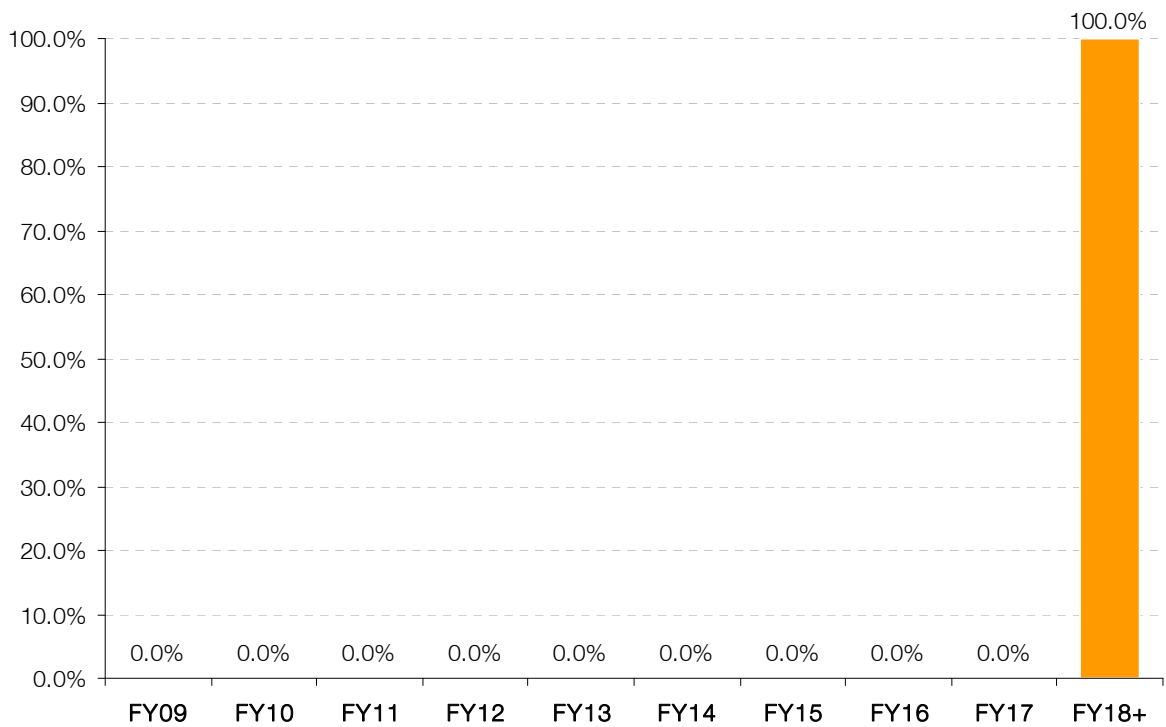
Traffic has trended downwards due to the economic downturn. Public transportation usage in the region has recently increased and the vehicle miles driven have decreased in the region and nationwide. Local employers along with the Federal Government agencies have also recently moved to a 4-day work-week or 9-day flex plan over two weeks. Traffic continues to be adversely impacted by network upgrades on the competing routes.

Figure 25 - Dulles Greenway quarterly traffic performance



#### 2.8.4 Financing and debt

Figure 26 - Dulles Greenway debt maturity profile



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There have been no major developments on the Dulles Greenway debt position in the first 6 months of the financial year 2009. The Dulles Greenway is currently in distribution lock-up under its senior debt indentures.

Greenway continues to operate on a positive cash flow basis and is well capitalised, with more than USD150m of cash reserves available. However, the project performance ratios required to permit distributions to equity were not achieved as of 31 December 2008. Consequently, the excess cash from 2008 will remain locked up until the project complies with the test ratio for at least three consecutive years.

### **Ratings review**

On 25 November 2008, Standard and Poors affirmed its BBB- underlying rating on TRIP II's USD902m project revenue bonds outstanding. The outlook is stable.

On 9 February 2009 Moody's Investors Service has revised the outlook on TRIP II's underlying rating outlook to negative. TRIP II's bonds, which are rated Baa1 based upon the financial strength of the insurer, MBIA, currently have an underlying rating of Baa3. The negative outlook reflects the recent trend of declining traffic at the road, which is expected to continue in the coming year.

## 2.9 Indiana Toll Road (ITR) – Indiana, US

### 2.9.1 Financial performance

Figure 27 – ITR Revenue (USDm), 6 months ended 31 December

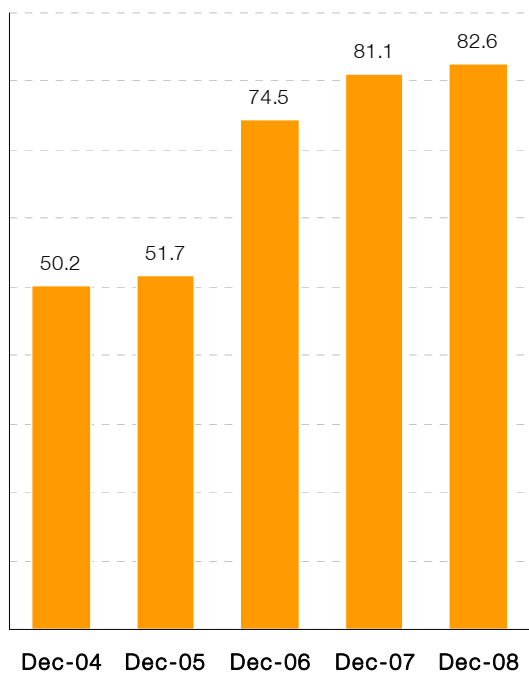
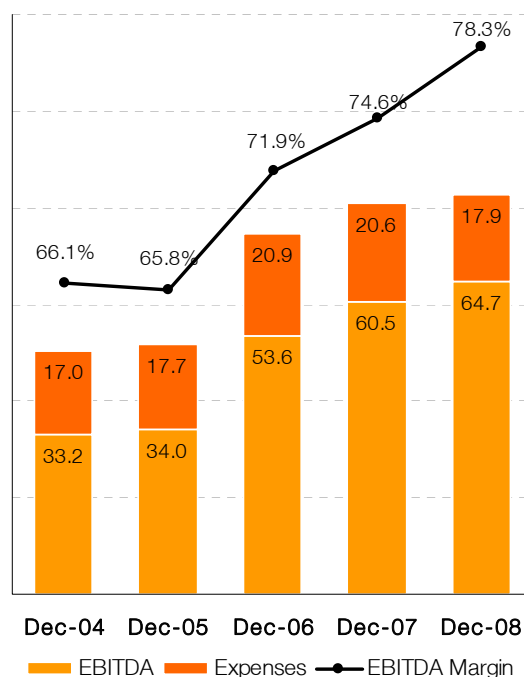


Figure 28 - ITR EBITDA (USDm), 6 months ended 31 December



Revenue for the first half of the 2009 financial year increased by USD1.5m (or 1.8%) to USD82.6m as the toll increases implemented in April 2008 offset lower traffic volumes (particularly on the barrier section).

Operating expenses for the half were 13.1% lower than pcp largely due to savings in toll collection expenses resulting from the decline in traffic and the installation of Electronic Toll Collection (ETC) and automatic ticket machines.

The savings in operating expenses continue to benefit EBITDA margin with the overall margin improving by 3.7 percentage points to 78.3%.

ETC was fully implemented along the entire length of the road on 1 April 2008, three months ahead of schedule. Coinciding with ETC installation, tolls were increased for non-ETC light vehicles as well as heavy vehicles. Tolls for non-ETC light vehicles (for a full length trip) increased from USD4.65 to USD8.00. Light vehicle users with a registered transponder will continue to pay USD4.65 until 2016, with the Indiana Finance Authority paying the toll differential to ITR for these vehicles.

## 2.9.2 Operational initiatives

Following full ETC implementation in April 2008, ITR has continued improving its ETC infrastructure by upgrading ancillary services, including the installation of a new back office system and new automatic toll payment machines in each barrier plaza.

Transponder penetration continues to increase as ITR promotes the benefits of using ETC, which include lower tolls and travel time savings. On the barrier system, ETC penetration was approximately 61% in December 2008. On the ticket system, ETC penetration has grown to approximately 55% since inception.

To date, ITR's Customer Care Center has issued approximately 52,000 transponders, up from 42,000 in the quarter ended September 30, 2008.

ITR has installed 75 new toll booths for worker safety purposes. The toll booths also provide a new look to the plazas and a secure work environment to its employees.

The Mandatory Expansion Works due in 2010 are proceeding on schedule.

## 2.9.3 Traffic

**Table 21 - ITR traffic performance**

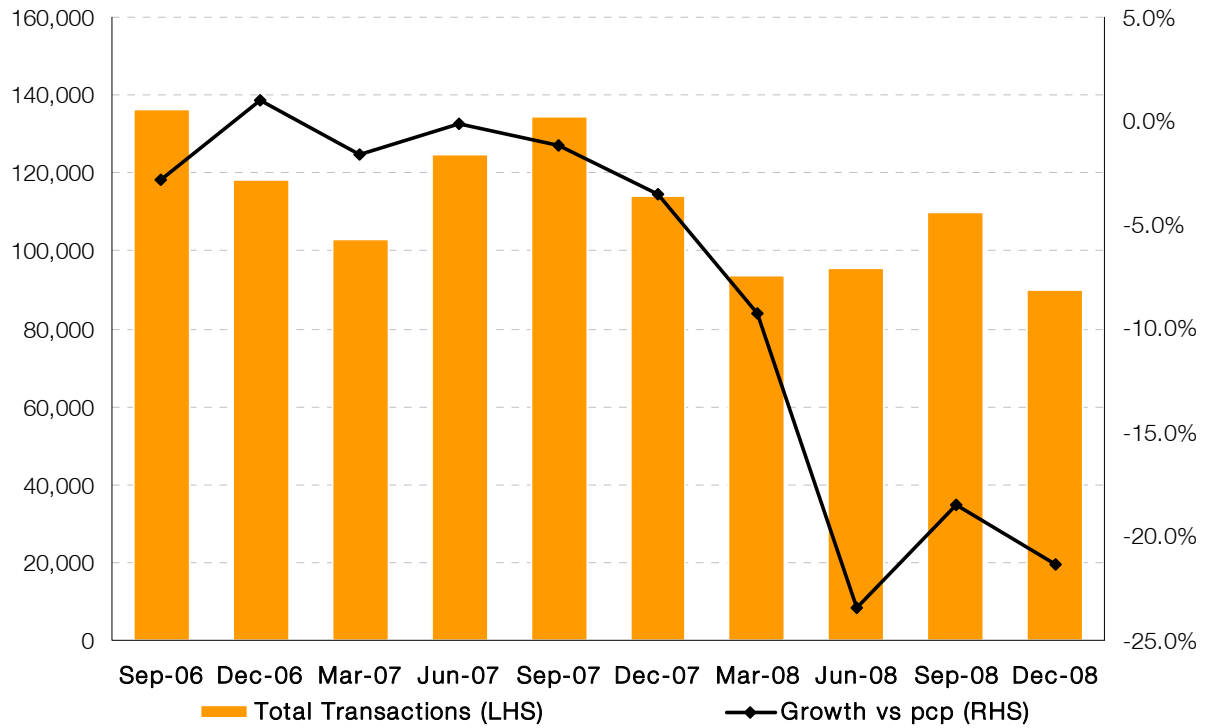
Category	Quarter to Date			Year to Date		
	Oct-Dec 2007	Oct-Dec 2008	Change vs. pcp	Jul-Dec 2007	Jul-Dec 2008	Change vs. pcp
<b>Average daily revenue</b>						
Revenue (USD)	386,432	<b>383,278</b>	<b>(0.8%)</b>	415,582	<b>436,617</b>	<b>5.1%</b>
<b>Average daily traffic</b>						
All days – Ticket (ADT)	23,970	<b>22,811</b>	<b>(4.8%)</b>	26,717	<b>25,887</b>	<b>(3.1%)</b>
All days – barrier (transactions)	90,293	<b>67,027</b>	<b>(25.8%)</b>	97,767	<b>73,942</b>	<b>(24.4%)</b>
Non-cash – ticket (ADT)	n/a	<b>55%</b>		n/a	<b>52%</b>	
Non-cash – barrier (transactions)	42%	<b>60%</b>		40%	<b>57%</b>	
Workdays in period	64	<b>64</b>	-	127	<b>128</b>	<b>+1</b>
Non workdays in period	28	<b>28</b>	-	57	<b>56</b>	<b>-1</b>

Average Daily Traffic on the Indiana Toll Road (ITR) for the December quarter has decreased 3.1% on the ticket system and 24.4% at the barrier compared to pcp. The economic downturn, recent toll increases, and the I-65 ramp closure have negatively impacted traffic volumes.

- Ramp closures on the I-65 have hampered traffic along ITR for the past nine months. On 25 November 2008, the Indiana Department of Transportation announced that I-65 north of I-80/94 (the Frank Borman Expressway) and all the ramps at the interchange of I-65 and I-80/94 were open to traffic. Light vehicle transactions at the Gary East (Plaza 17), where I-65 meets ITR, increased 168% from November 2008 to December 2008 and 275% for heavy vehicle transactions.

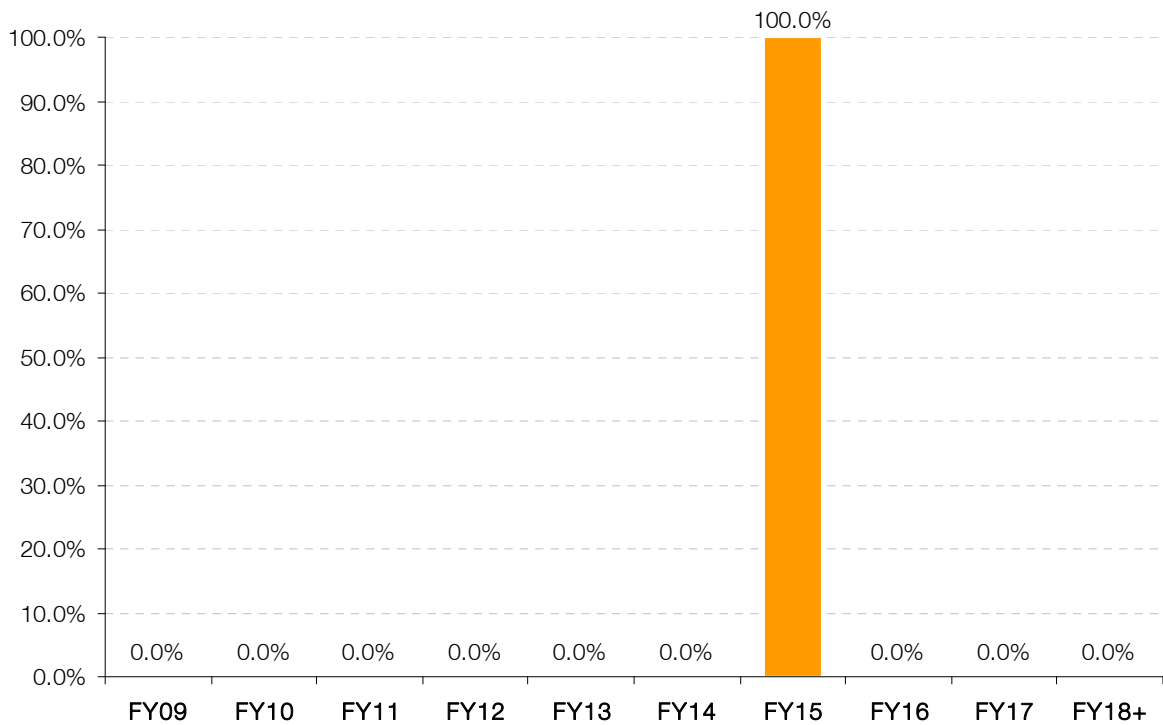
Additionally, exceptionally high snowfall in the last few weeks of the period has resulted in intermittent road closures across sections on the ITR, as well as its surrounding traffic network. During December, 17.75 inches of snow fell, bringing the season snowfall to 36.45 inches.

Figure 29 - Indiana Toll Road quarterly traffic performance (total transactions)



#### 2.9.4 Financing and debt

Figure 30 - Indiana Toll Road debt maturity profile



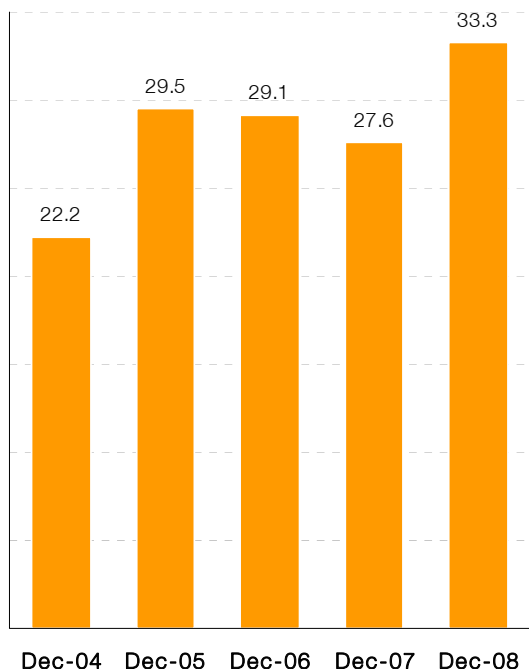
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There were no major developments on the debt position of the ITR during the first 6 months of this year. However, ITR has not met the 12 month revenue test in December 2008 and was not able to release the fifth instalment of the revenue stabilisation reserve. The fifth instalment of the revenue stabilisation reserve (USD14.3m) will be used to reduce indebtedness. (The remaining balance of the revenue stabilisation reserve is USD28.6m).

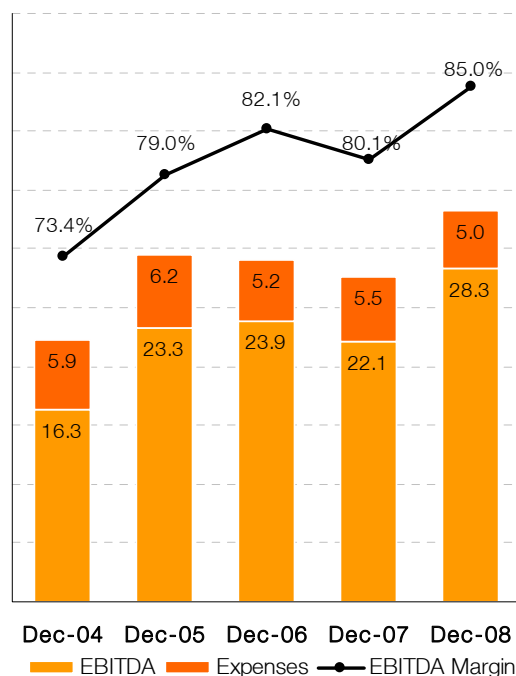
## 2.10 Chicago Skyway – Chicago, US

### 2.10.1 Financial performance

**Figure 31 – Chicago Skyway Revenue (USDm), 6 months ended 31 December**



**Figure 32 - Chicago Skyway EBITDA (USDm), 6 months ended 31 December**



Revenue for the first half of financial year 2009 increased 20.7% to USD33.3m compared to pcp, primarily due to a 20% increase in light vehicle tolls and an approximate 50% increase in heavy vehicle tolls on 1 January 2008. As well, recent corridor construction and weather related road closures on the alternative routes have led to an increase in heavy vehicle traffic.

Operating expenses for the half fell around 9% compared to the pcp largely due to the internalization of toll collection services.

As a consequence of the increase in revenue and the reduction in expenditure, both EBITDA and EBITDA margin improved in the half compared to the pcp. EBITDA of USD28.3m is up 28.1% with EBITDA margin increasing by 4.9 percentage points.

### 2.10.2 Operational initiatives

Skyway recently completed three projects to improve its ETC infrastructure which included upgrading all lanes to support ETC, transferring the IAG connection from Illinois Tollway to ITR, and deployment of a new Skyway Back Office. ETC penetration for light traffic grew from 40.5% in 2007 to 51.9% in 2008. In terms of heavy vehicle traffic penetration, it grew from 81.4% to 88.0%. Skyway is now setting its sights on introducing open road tolling over the next three years.

The new Skyway back office was successfully implemented and, as of June 2008, all ETC transactions at the Skyway are being processed by ITR. Skyway transaction costs have been significantly reduced by shifting back office transactions from the Illinois Tollway Authority to the ITR back office system. In addition all plaza lanes have been ETC operational since July 2008. As such, cost per transaction has decreased and vehicles served per hour have increased over these months.

Skyway eliminated the issuance of collection forms to customers refusing to pay tolls. Instead, the Chicago Police Department has begun issuing citations to these patrons. As a result, the number of non-paying customers has drastically decreased in December 2008.

### 2.10.3 Traffic

**Table 22 - Chicago Skyway traffic performance**

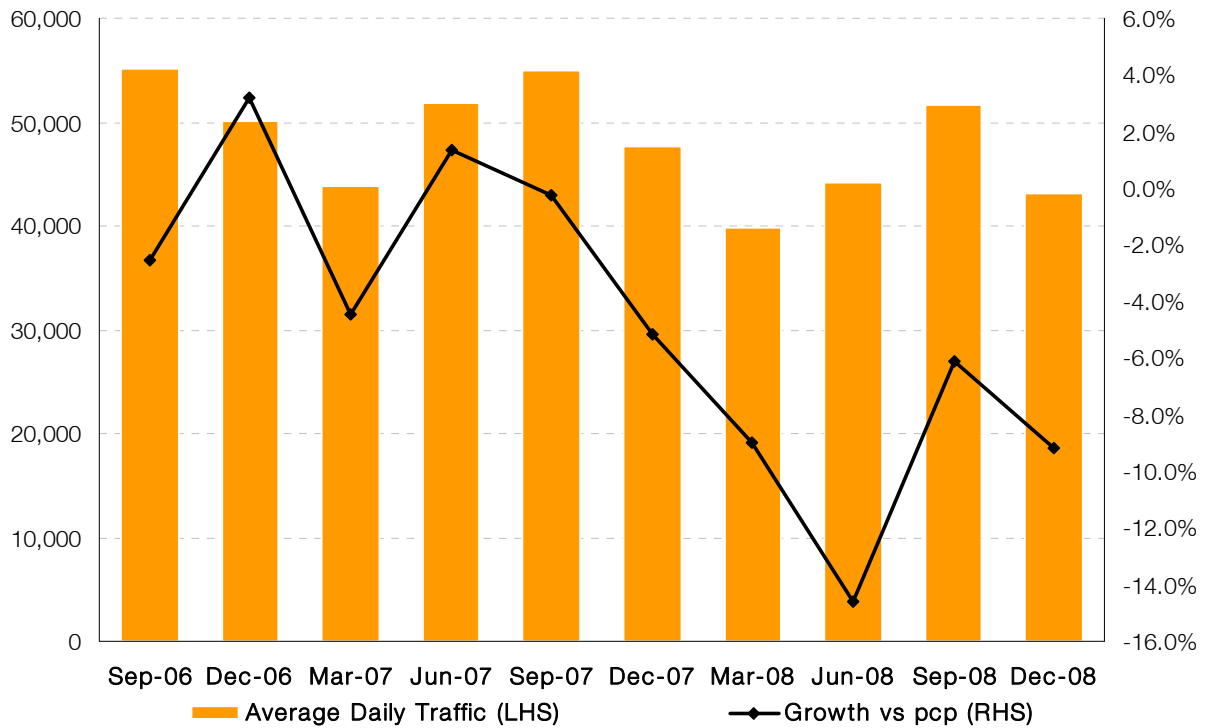
Category	Quarter to Date			Year to Date		
	Oct-Dec 2007	Oct-Dec 2008	Change vs. pcp	Jul-Dec 2007	Jul-Dec 2008	Change vs. pcp
<b>Average daily revenue</b>						
Revenue (USD)	140,506	<b>164,014</b>	<b>16.7%</b>	149,904	<b>179,869</b>	<b>20.0%</b>
<b>Average daily Traffic</b>						
Average workday trips	47,080	<b>42,579</b>	<b>(9.6%)</b>	50,177	<b>46,244</b>	<b>(7.8%)</b>
Weekends/public holidays	48,689	<b>44,609</b>	<b>(8.4%)</b>	53,672	<b>50,028</b>	<b>(6.8%)</b>
All days	47,570	<b>43,197</b>	<b>(9.2%)</b>	51,260	<b>47,396</b>	<b>(7.5%)</b>
Non-cash transactions	44%	<b>55%</b>		43%	<b>54%</b>	
Workdays in period	64	<b>64</b>	-	127	<b>128</b>	+1
Non workdays in period	28	<b>28</b>	-	57	<b>56</b>	-1

Average Daily Traffic for the first half of the financial year 2009 has fallen 7.5% compared to pcp and has been impacted by the slowdown in both regional and national economic activity, improvements to the competing alternatives, and increased snow fall, particularly in December which was 24% higher than December 2007.

Whilst the first five months of the half were also impacted by the closure of the I-65 interchange, December was the first month since February 2008 with all ramps at the interchange of I-65 and the Indiana Toll Road open to traffic.

In addition, the Dan Ryan Expressway construction south of the Skyway which was completed at the beginning of the fourth quarter of 2007 has improved travel times on the alternative route, leading to an incomplete or delayed recovery of traffic on the Skyway.

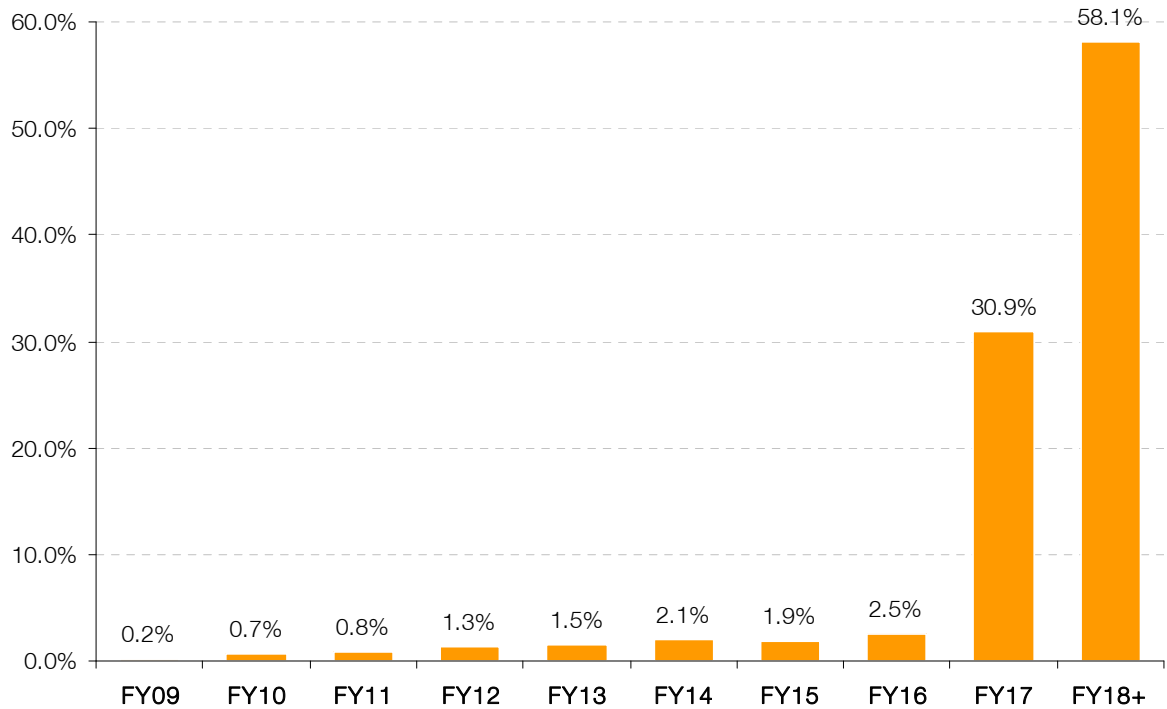
Figure 33 - Chicago Skyway quarterly traffic performance



2.10.4

2.10.5 Financing and debt

Figure 34 - Chicago Skyway debt maturity profile



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There were no major developments on the debt position of the Chicago Skyway during the first half of this year. Skyway's January 2009 distribution has been approved. 50% of the distribution will be paid to subordinated debt lenders as an interest payment with the remaining 50% distributed to the equity holders.

## 2.11 Tagus River Crossings – Lisbon, Portugal

### 2.11.1 Sale of interest in Lusoponte

On 30 September 2008, MIG announced that it has accepted a binding offer from two of the existing shareholders in Lusoponte, Mota-Engil Concessões de Transporte (Mota) and Vinci SA (Vinci), to purchase MIG's 30.6% interest in Lusoponte for EUR112m.

As at 30 June 2008, MIG's directors valued Lusoponte at EUR114m (AUD188m) which represented approximately 2% of MIG's total portfolio. The sale price results in a 15% IRR for MIG on divestment, with total returns of 2.7 times MIG's equity contributions since October 1999.

On 5 January 2009, this transaction reached financial close, with MIG receiving net proceeds of AUD223m.

### 2.11.2 Traffic

**Table 23 - Lusoponte traffic performance – Vasco da Gama Bridge**

Category	Quarter to Date			Year to Date		
	Oct-Dec 2007	Oct-Dec 2008	Change vs. pcp	Jul-Dec 2007	Jul-Dec 2008	Change vs. pcp
<b>Average daily revenue</b>						
Revenue (EUR)	89,541	<b>88,244</b>	<b>(1.4%)</b>	89,953	<b>89,083</b>	<b>(1.0%)</b>
<b>Average daily traffic</b>						
All days – total traffic	65,893	<b>64,304</b>	<b>(2.4%)</b>	66,617	<b>64,932</b>	<b>(2.5%)</b>
All days – northbound <sup>1</sup>	31,890	<b>31,025</b>	<b>(2.7%)</b>	32,138	<b>31,227</b>	<b>(2.8%)</b>
Workdays in period	63	<b>63</b>	-	127	<b>128</b>	+1
Non workdays in period	29	<b>29</b>	-	57	<b>56</b>	-1

1. Tolls only apply to northbound traffic

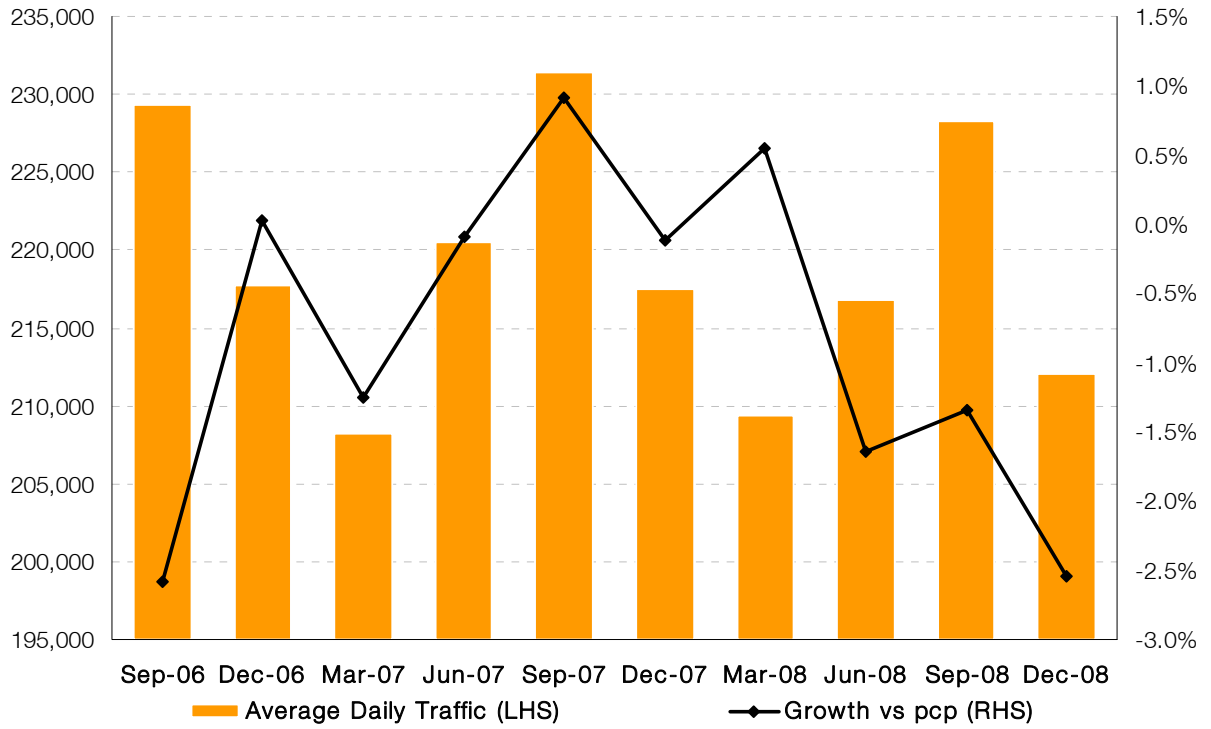
**Table 24 - Lusoponte traffic performance – 25<sup>th</sup> April Bridge**

Category	Quarter to Date			Year to Date		
	Oct-Dec 2007	Oct-Dec 2008	Change vs. pcp	Jul-Dec 2007	Jul-Dec 2008	Change vs. pcp
<b>Average daily revenue</b>						
Revenue (EUR)	112,262	<b>114,068</b>	<b>1.6%</b>	96,705	<b>98,480<sup>2</sup></b>	<b>1.8%</b>
<b>Average daily traffic</b>						
All days – total traffic	151,624	<b>147,694</b>	<b>(2.6%)</b>	157,855	<b>155,230</b>	<b>(1.7%)</b>
All days – northbound <sup>1</sup>	76,476	<b>74,782</b>	<b>(2.2%)</b>	80,084	<b>78,719</b>	<b>(1.7%)</b>
Workdays in period	63	<b>63</b>	-	127	<b>128</b>	+1
Non workdays in period	29	<b>29</b>	-	57	<b>56</b>	-1

1. Tolls only apply to northbound traffic

2. Calculated over 153 days, no tolls charged in August on 25 April Bridge

Figure 35 - Lusoponte quarterly traffic performance (Total)



## 2.12 South Bay Expressway (SBX) – San Diego, US

### 2.12.1 Financial performance

Figure 36 – SBX Revenue (USDm), 6 months ended 31 December

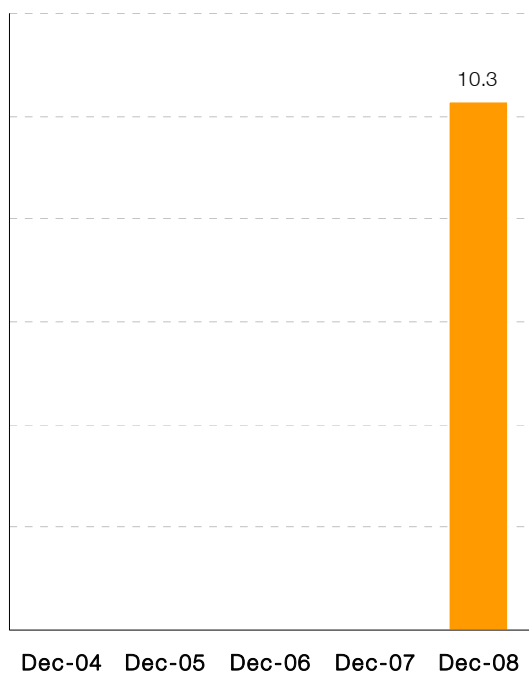
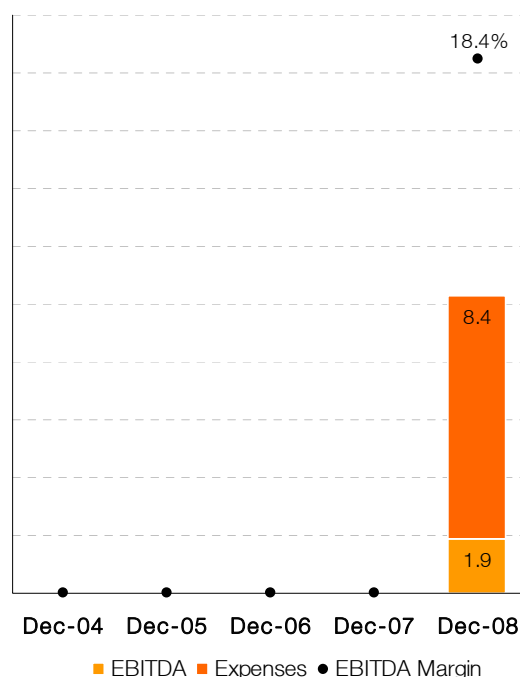


Figure 37 - SBX EBITDA (USDm), 6 months ended 31 December



Revenue for the second half of 2008 was USD10.3m, lower than anticipated due to lower than expected traffic as well as reduced ability to process violations and unmatched trips. Until October 2008, SBX had only carried out limited violation processing.

Operating expenses for the second half of 2008 were USD8.4m.

EBITDA of USD1.9m is below expectation, with an EBITDA margin of 18.4%.

### 2.12.2 Operational initiatives

SBX continues to add new FasTrak customers, with most accounts being opened over the internet or through the SBX call centre. SBX ended the period with a total of 29,135 FasTrak accounts, representing 41,734 transponders in circulation. Net revenue leakage from unpaid tolls is now minimal. Collection enforcement has been fully active since October and SBX expects further improvement once pattern matching and minimum fare processing is implemented.

The design-build contractor has lodged a number of construction-related claims against SBX, many of which are yet to be resolved between the parties. These claims are going through a dispute resolution process.

### 2.12.3 Traffic

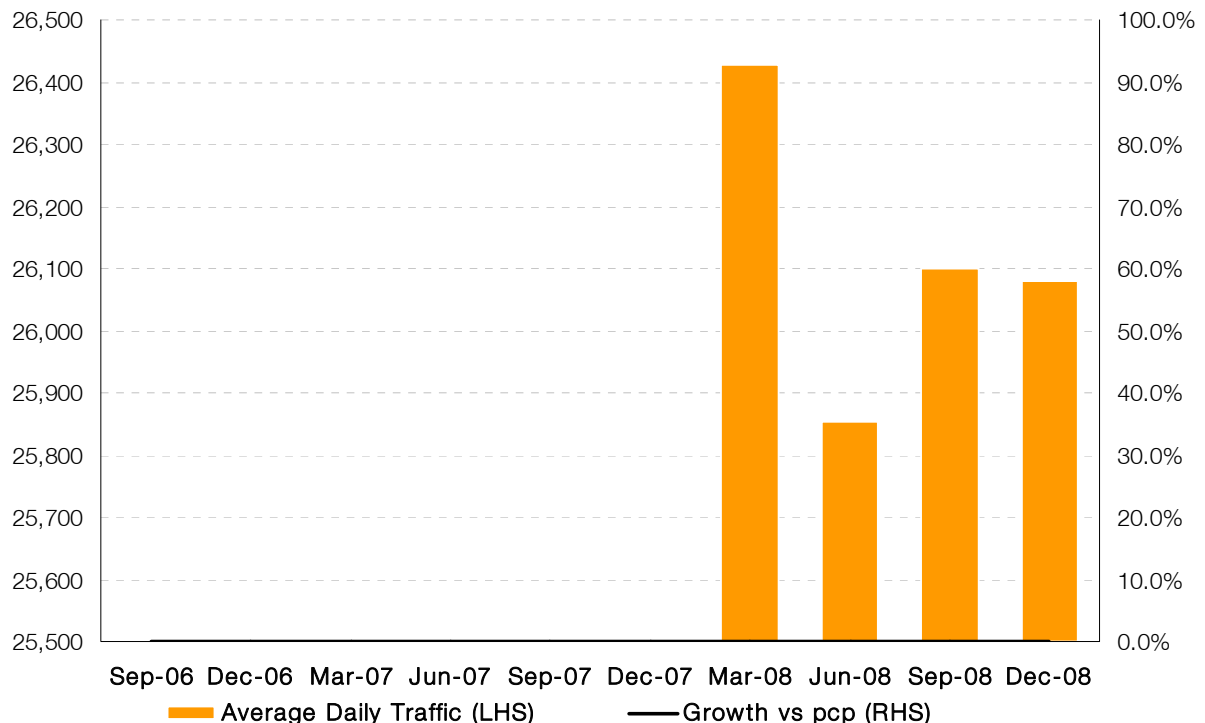
Table 25 - SBX traffic performance

Category	Quarter to Date			Year to Date		
	Oct-Dec 2007	Oct-Dec 2008	Change vs. pcp	Jul-Dec 2007	Jul-Dec 2008	Change vs. pcp
<b>Average daily revenue</b>						
Revenue (USD)	n/a	58,649	n/a	n/a	58,544	n/a
<b>Average daily traffic</b>						
Average workday trips	n/a	29,064	n/a	n/a	29,080	n/a
Weekends/public holidays	n/a	19,259	n/a	n/a	19,254	n/a
All days	n/a	26,080	n/a	n/a	26,089	n/a
Non-cash transactions	n/a	78%		n/a	78%	
Workdays in period	n/a	64	n/a	n/a	128	n/a
Non workdays in period	n/a	28	n/a	n/a	56	n/a

South Bay Expressway opened to traffic on 19 November 2007, with a toll free period for all customers until 2 December 2007. Full tolls were implemented for all vehicles from 14 January 2008 and as a consequence there is no information for the prior corresponding period.

Traffic on South Bay Expressway continues to be impacted by the weak regional housing market and the slowdown in economic activity which has also driven a significant decline in Mexican border crossings.

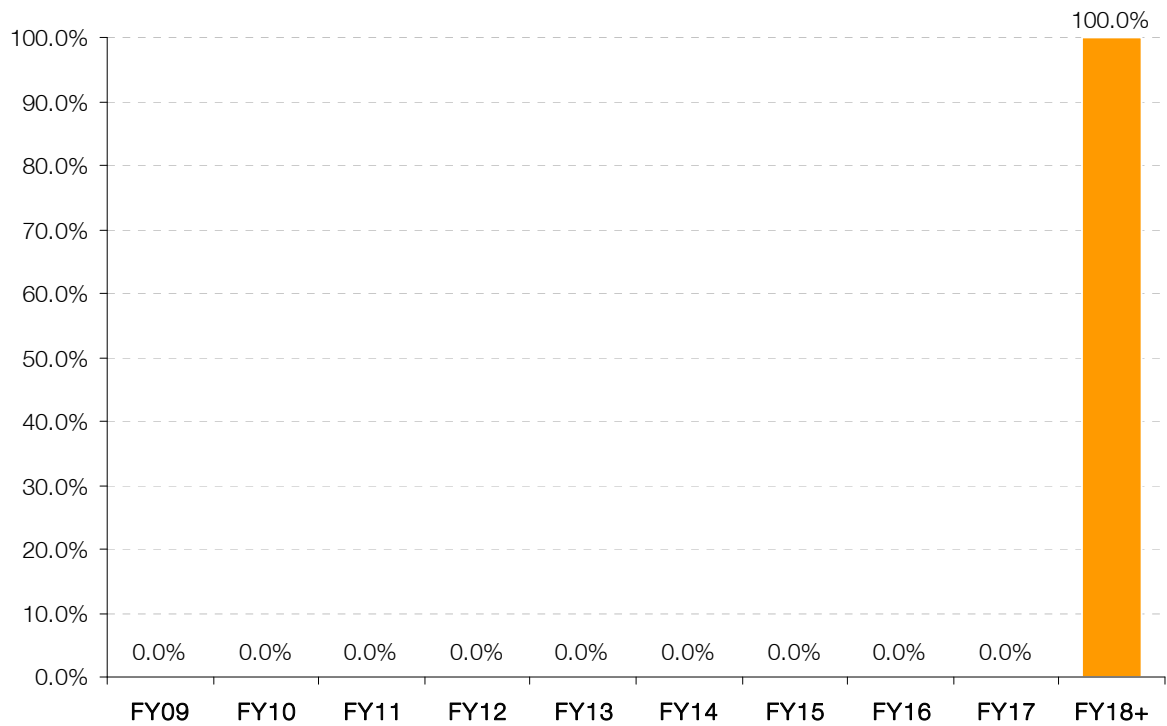
Figure 38 - South Bay Expressway quarterly traffic performance



SBX commenced fully tolled operations on 14 January 2008 and as part of its promotions to customers, non-cash users were initially allowed to make free trips. Hence, traffic volumes for that quarter were higher than for subsequent periods.

## 2.12.4 Financing and debt

Figure 39 - South Bay Expressway debt maturity profile



There have been no major developments on South Bay Expressway's debt position in the first 6 months of the year. MIG continues to monitor SBX's financial performance including the asset's debt obligations. SBX has no refinancing needs within the next 12 months and is not subject to any coverage tests until 31 December 2010.

## 2.13 Warnow Tunnel – Rostock, Germany

### 2.13.1 Financial performance

Figure 40 – Warnow Revenue (EURm), 6 months ended 31 December

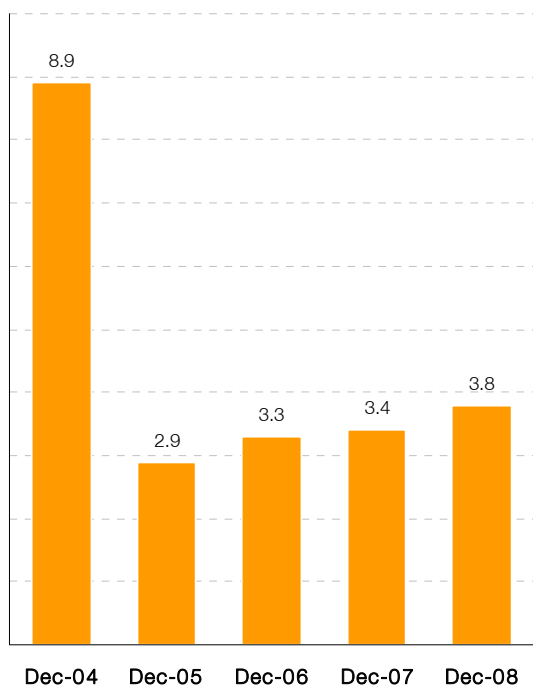
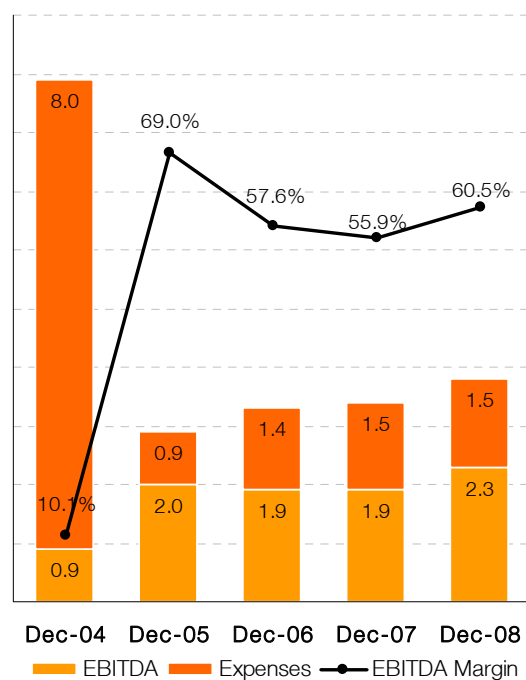


Figure 41 - Warnow EBITDA (EURm), 6 months ended 31 December



Revenue for the first half of financial year 2009 has increased 11.8% to EUR3.8m. This is mainly due to an increase of traffic of 4.0% along with toll increases that were implemented from 01 March 2008.

Expenses in the half have remained flat and as a consequence of revenue growth EBITDA has increased 21.1% with EBITDA margin improving 4.6 percentage points to 60.5%.

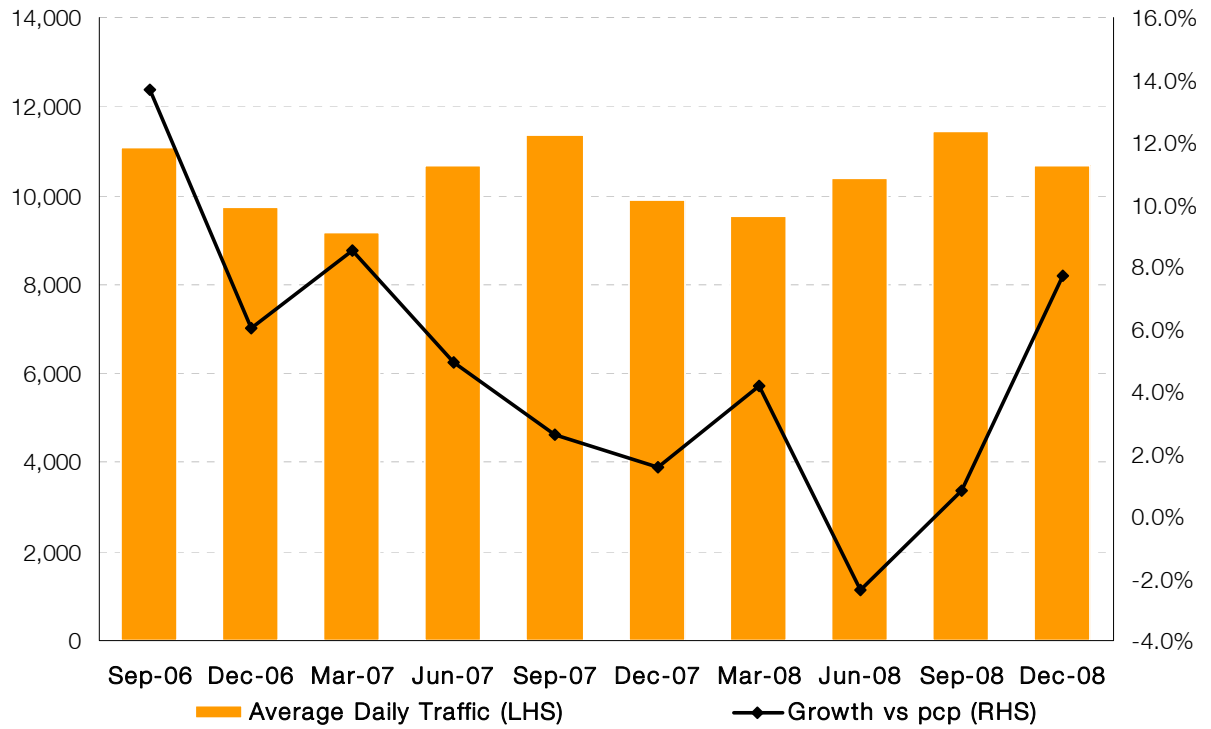
### 2.13.2 Traffic

Table 26 - Warnow traffic performance

Category	Quarter to Date			Year to Date		
	Oct-Dec 2007	Oct-Dec 2008	Change vs. pcp	Jul-Dec 2007	Jul-Dec 2008	Change vs. pcp
<b>Average daily revenue</b>						
Revenue (EUR)	16,469	19,220	16.7%	18,637	20,757	11.4%
<b>Average daily Traffic</b>						
Workdays	11,155	12,081	8.3%	11,709	12,225	4.4%
Weekends/public holidays	7,422	7,720	4.0%	8,300	8,397	1.2%
All days	9,897	10,659	7.7%	10,634	11,060	4.0%
Workdays in period	61	62	+1	126	128	+2
Non workdays in period	31	30	-1	58	56	-2

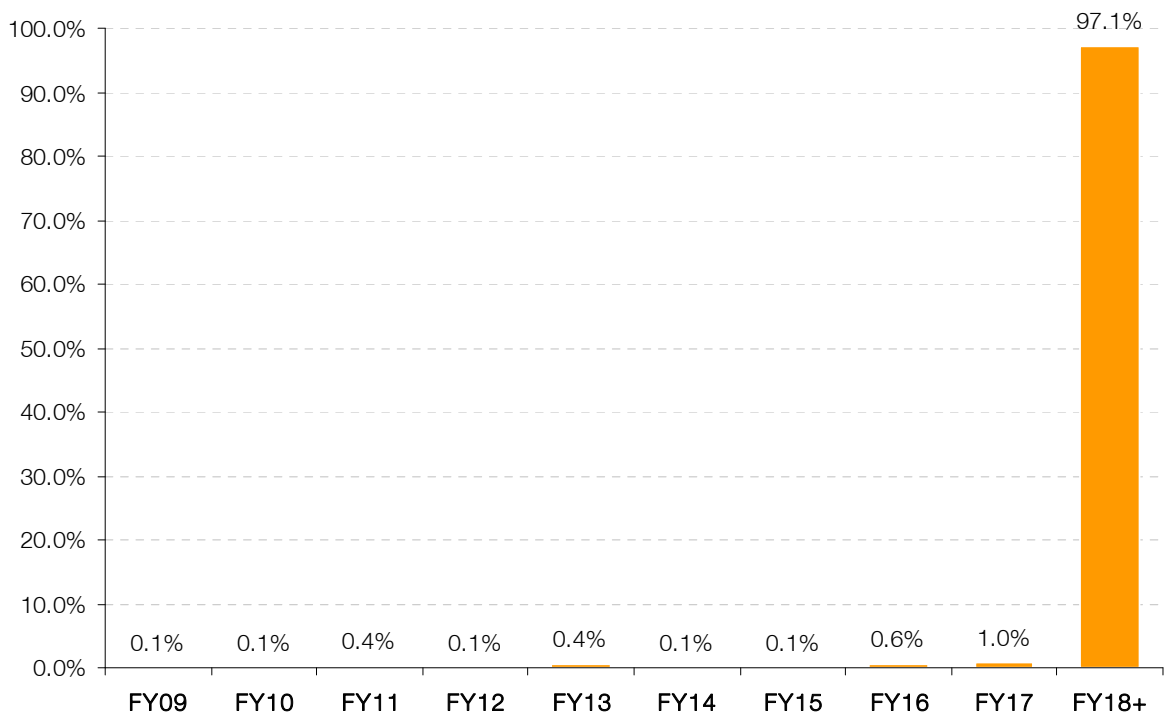
Average daily traffic for the December quarter was 7.7% above pcp and average revenue for the December quarter was 16.5% above pcp.

Figure 42 - Warnow Tunnel quarterly traffic performance



### 2.13.3 Financing and debt

Figure 43 - Warnow Tunnel debt maturity profile



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There were no major developments with respect to the debt position of Warnow tunnel during the first half of the year.

The EUR6m access road payments were received in May from the city government, the proceeds of which have been largely swept to repay a subordinated loan. Total payment received to date amounts to EUR33m. There remains EURO.2m to be received in 2009.



Valuations and Net Asset  
Backing per Stapled Security

## 3 VALUATIONS AND NET ASSET BACKING PER STAPLED SECURITY

### 3.1 Net asset valuation

At the end of each semi annual reporting period, the valuations of MIG's investments are reviewed and updated in accordance with MIG's valuation policies. MIG's assets are valued at fair value using a discounted cash flow (DCF) methodology, except where stated otherwise. Table 27 below sets out MIG's individual asset valuations at 31 December 2008, compared with valuations as at 30 June 2008.

**Table 27 - Portfolio valuation**

ASSET	Discount Rate (%)		Valuation			
	As at 31 Dec 08	As at 30 Jun 08	31 Dec 08 AUDm	30 Jun 08 AUDm	Change vs pcp (%)	%age of portfolio 31 Dec 08
407 ETR	9.50	8.02	3,571	3,295	8.4	50.4
M6 Toll	12.50	10.44	1,201	2,188	(45.1)	17.0
Financière Eiffarie (APRR)	12.50	10.81	767	982	(21.9)	10.8
Westlink M7 <sup>1</sup>	12.08	11.55	805	802	0.4	11.4
Dulles Greenway	12.50	12.51	345	398	(13.3)	4.9
Indiana Toll Road	12.50	10.01	189	344	(45.1)	2.7
Chicago Skyway	12.50	10.01	186	236	(21.2)	2.6
Tagus River Crossings	n/a	9.07	-	188	(100.0)	-
South Bay Expressway	13.50	13.51	12	133	(91.0)	0.2
Warnow Tunnel	12.50	11.62	2	2	-	-
Other	n/a	n/a	-	2	(100.0)	-
<b>Portfolio valuation</b>	<b>10.94</b>	<b>9.74</b>	<b>7,078</b>	<b>8,569</b>	<b>(17.4)</b>	<b>100%</b>
Non Investment Balances			788	897		
Distribution			(232)	(240)		
<b>Net assets before deferred tax</b>			<b>7,634</b>	<b>9,226</b>	<b>(17.3)</b>	

1. Westlink M7 31 Dec 08 valuation taken as agreed sale price with WSRG.

The values of MIG's road asset investments are determined by the valuation framework adopted by the directors of MIIML and MIGIL. Discounted cash flow analysis is the methodology applied in the valuation framework, as it is the generally accepted methodology for valuing road assets and the basis upon which market participants have derived valuations for specific transactions. This methodology has been consistently applied in all periods since listing in December 1996.

Discounted cash flow is the process of estimating future cash flows, that are expected to be generated by an asset and discounting these cash flows to their present value, by applying an appropriate discount rate.

The valuations derived from the discounted cash flow analysis are periodically benchmarked to other sources, such as recent market transactions, to ensure that the discounted cash flow valuations are providing a reliable measure.

## 3.2 Movement since 30 June 2008

**Table 28 - Key impacts on valuations**

	AUDm	AUDm
<b>Portfolio Valuation as at 30 June 2008</b>		<b>8,569</b>
Investments/divestments		(173)
<b>Operational Factors</b>		
Roll Forward	314	
Other Operational Changes	323	
<b>Total Operational Factors</b>		<b>637</b>
<b>Macroeconomic Factors</b>		
Inflation	(1,132)	
Interest Rates	344	
Foreign Exchange Rates	1,150	
<b>Total Macroeconomic Factors</b>		<b>362</b>
<b>Change in Discount Rates</b>		<b>(2,317)</b>
<b>Change in Overall Portfolio Valuation</b>		<b>(1,491)</b>
<b>Portfolio Valuation as at 31 December 2008</b>		<b>7,078</b>

Since 30 June 2008, portfolio valuations have fallen AUD1,491m (17.4%). This follows a fall of AUD1,640m at 30 June 2008 compared to 31 December 2007. The most significant factors contributing to movements in the valuations since 30 June 2008 are:

### 3.2.1 Operational factors

- Operational assumptions were reviewed across the portfolio with total operational adjustments resulting in a AUD637m increase in the total valuation since June 2008. The main changes to these assumptions were:
  - Downward revisions to traffic forecasts on a number of roads including Dulles Greenway, M6 Toll, APRR and South Bay Expressway following independent traffic reviews. These revisions include the effects of recessions in the Northern Hemisphere,
  - At the 407ETR a new network model traffic forecast led to an upward revision of previous numbers, and
  - Further increases in lending margins, marginally offset by lower base rates on the refinancing of existing debt within each asset to reflect current dislocated credit market conditions.

### 3.2.2 Macroeconomic factors

#### Inflation rates

Forecast inflation rates have fallen in most jurisdictions, decreasing MIG's valuation by AUD1,132m.

Historically, long term inflation rates have been implied from the differential between long term real and nominal bond rates, where available. Due to current market dislocation, these implied outcomes have in some cases been unusually low and well outside government and consensus estimates.

Consequently, MIG has adopted a consensus based approach to determining long term inflation forecasts for valuations.

These forecasts were determined by comparing numerous reference points for each country of relevance, including Consensus Economics, the Economist Intelligence Unit, the International Monetary Fund, Central Bank Targets and the implied rate from real and nominal bonds.

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## Foreign exchange rates

The factors above have been offset by the weakening of the AUD against all foreign currencies within the MIG portfolio, except GBP. The movement in exchange rates has resulted in an increase of AUD1,150m in MIG's total portfolio valuation. Refer to Appendix 3 for the exchange rates at 31 December 2008 and 30 June 2008.

### 3.2.3 Discount Rates

MIG is required to value its assets based on a sale price that could be achieved taking into account current market conditions at valuation date being 31 December 2008. Discount rates, which reflect the return required by direct investors in an asset, have historically been made up of the risk free rate plus a premium reflecting the uncertainty in the relevant cash flows (which is a reflection of the inherent risk at an asset given its stage of development and other asset specific factors).

In the current dislocated market, it is clear that this situation no longer holds. Risk free rates are at historic lows, but due to a number of factors, direct investors' required returns have not fallen in line with the fall in risk free rates. These factors include:

- Falling economic activity (impacting views on future performance);
- Specific concerns arising from the tightening of credit and the combined effect of this and the contraction of the economy; and
- Newer unlisted direct and fund investors operating with hurdle returns that render low bond rates irrelevant.

In preparing valuations for 31 December 2008, MIG calibrated its discount rates to a number of data points that provided evidence as to market conditions that existed at that date. These factors included:

- Recent toll road asset sales indicating reductions in valuations stemming from increases in discount rates;
  - MIG's sale of Westlink M7, the consideration for which reflected a premium to the June discount rate of 0.5%;
  - Other data indicating a trend toward higher required returns; and
  - Significant increases in listed market returns.
- Consequently, notwithstanding the recent substantial falls in risk free rates, it was deemed appropriate that overall discount rates be adjusted to reflect these factors.

### 3.3 Net Asset Backing per stapled security

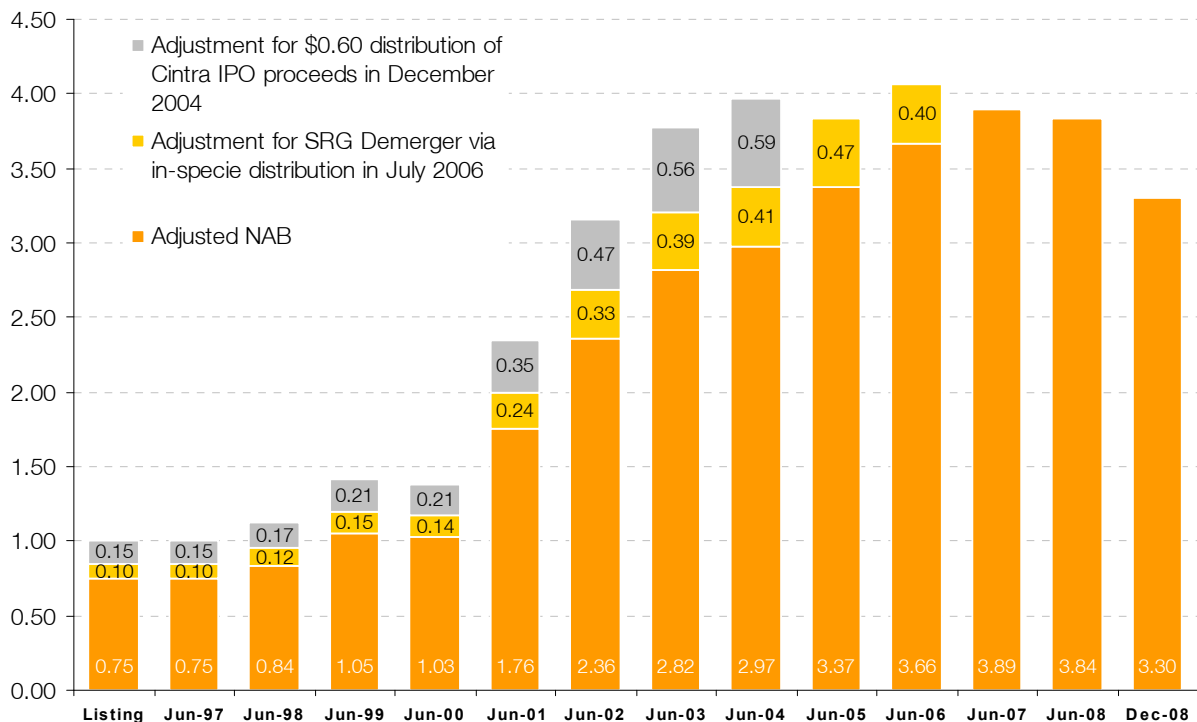
Table 29 - Net Asset Backing per stapled security

	As at 31 Dec 08 AUD	As at 30 Jun 08 AUD	Change %
<b>Net asset valuation as per Aggregated Balance Sheet</b>			
Net Asset Backing per stapled security before deferred tax liability	3.30	3.84	(14.1%)
Net Asset Backing per stapled security after deferred tax liability	3.28	3.77	(13.0%)
	# '000	# '000	
<b>Number of stapled securities on issue</b>	<b>2,314,772</b>	<b>2,403,834</b>	<b>(3.7%)</b>

The above Net Asset Backing should be read in conjunction with the Aggregated Balance Sheet (Section 1.3)

MIG's Net Asset Backing (NAB) per security has fallen 14.1% from AUD3.84 as at 30 June 2008 to AUD3.30 as at 31 December 2008. This reduction is primarily a consequence of a reduction in the portfolio valuation of AUD1.5bn as outlined in section 3.2, but has also been impacted by a reduction in both the cash balances held by MIG and the securities outstanding as a consequence of the current on market buyback.

Figure 44 - MIG Net Asset Backing per stapled security



Net Asset Backing (NAB) per security has been calculated using net assets before deferred tax balances and excluding outside equity interests as detailed in the MIG Aggregated Balance Sheet divided by the number of securities on issue. Before June 2002, the NAB was calculated using net assets per the MIG Consolidated Balance Sheet as the Aggregated Balance Sheet was not prepared before this date. MIG's reported NAB prior to December 2004 and July 2006 has been adjusted for the component of the December 2004 distribution attributable to the Cintra proceeds and the SRG in-specie distribution, respectively, in accordance with the ASX/S&P adjustment methodology.

Figure 45 - MIG portfolio split by valuation

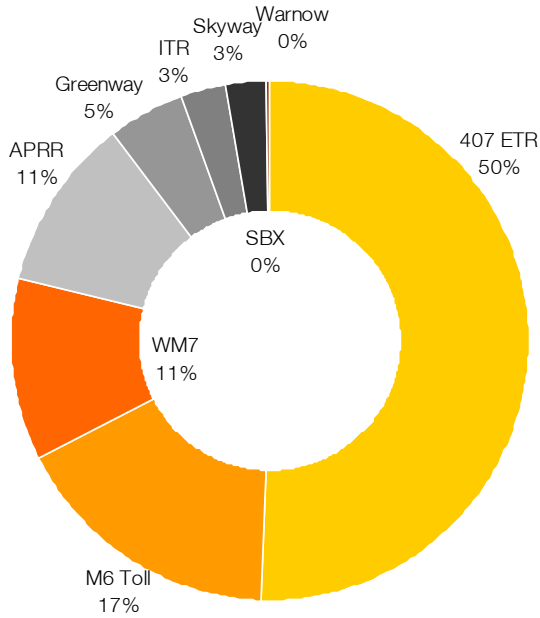
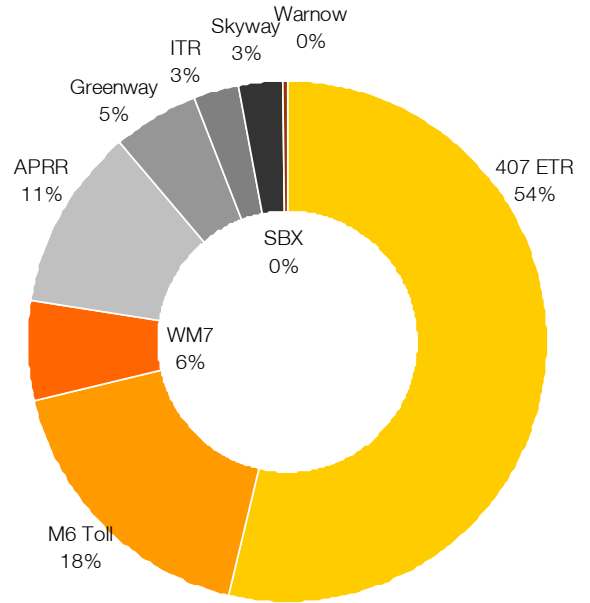


Figure 46 - MIG proforma portfolio split by valuation



The chart in Figure 45 represents the split of MIG's assets assuming the completion of the sale of Westlink M7 to WSRG, and MIG's proposed 50% ownership of WSRG.



# Appendices

## APPENDIX 1 – RECONCILIATION TO STATUTORY ACCOUNTS

Table 30 - Reconciliation of proportionate EBITDA to statutory account EBITDA

	6 Months to 31 Dec 08 AUDm	6 Months to 31 Dec 07 AUDm
EBITDA – MIG Financial Report <sup>11</sup>	(1,674.9)	1,404.1
Revaluation income from non-consolidated assets	1,721.0	(1,378.9)
EBITDA from non-consolidated assets	399.6	361.1
Gain on sale of road assets	129.0	-
Other items <sup>12</sup>	(2.2)	33.6
<b>EBITDA from road assets net of MIG corporate level income and expenses</b>	<b>572.5</b>	<b>419.9</b>
Maintenance capex	(29.4)	(28.7)
Finance costs	(223.7)	(196.6)
Net Tax expense	(36.0)	(26.2)
<b>MIG Proportionate Earnings per Management Information report (MIR)</b>	<b>283.4</b>	<b>168.4</b>

11 MIG PBT adjusted for finance costs, depreciation and amortisation.

12 Includes non cash operating lease expense, foreign exchange gain/losses and interest income earned at consolidated road assets.

Table 31 - Reconciliation of proportionate net debt to statutory account debt position

	As at 31 Dec 08 AUDm	As at 30 Jun 08 AUDm
Corporate Debt	-	-
Corporate Cash	(563.6)	(910.1)
<b>Corporate Net Debt</b>	<b>(563.6)</b>	<b>(910.1)</b>
Road asset debt – M6 Toll	2,186.9	2,181.8
Road asset cash – M6 Toll	(67.8)	(72.7)
Other debt <sup>13</sup>	280.1	245.1
<b>Net Debt – Statutory Accounts</b>	<b>1,835.6</b>	<b>1,444.1</b>
Other debt <sup>14</sup>	38.2	46.7
Non consolidated road asset net debt	9,560.4	7,920.3
<b>Total Net Debt per Management Information Report</b>	<b>11,434.2</b>	<b>9,411.1</b>

13 Includes loan from minority interest, which is excluded from total net debt.

14 Includes land fund liability net of loan from minority interest

## APPENDIX 2 – ENTERPRISE VALUE BY ASSET

Table 32 – MIG Enterprise Value by Asset

ASSET	Equity As at 31 Dec 08 AUDm	Net Debt As at 31 Dec 08 AUDm	Enterprise Value As at 31 Dec 08 AUDm	Net Debt/ Enterprise Value %
407 ETR	3,571	1,416	4,987	28.4
M6 Toll	1,201	2,436	3,637	67.0
Financière Eiffarie (APRR)	767	4,614	5,381	85.7
Westlink M7 <sup>15</sup>	805	594	1,399	42.5
Dulles Greenway	345	570	915	62.3
Indiana Toll Road	189	1,297	1,486	87.3
Chicago Skyway	186	533	719	74.1
South Bay Expressway	12	312	324	96.3
Warnow Tunnel	2	224	226	99.1
<b>Asset level proportionally consolidated</b>	<b>7,078</b>	<b>11,996</b>	<b>19,074</b>	<b>62.9%</b>
<b>MIG proportionally consolidated net assets</b>	<b>7,634</b>	<b>11,434</b>	<b>19,068</b>	<b>60.0%</b>

15 Westlink M7 31 December 2008 valuation taken as agreed sale price with WSRG.

## APPENDIX 3 – MACROECONOMIC INDICATORS

Table 33 – Spot foreign exchange rates

	31 Dec 08	30 June 08	Change (%)
Canadian Dollar	0.8601	0.9774	(12.0%)
Euro	0.5065	0.6086	(16.8%)
Pound Sterling	0.4858	0.4810	1.0%
United States Dollar	0.7074	0.9582	(26.2%)

The spot exchange rates in this table are the exchange rates that have been applied to the translation of all balance sheet items, including valuations, on 31 December 2008 and 30 June 2008.

Table 34 – Average foreign exchange rates

	Quarter ended 30 Sep 08	Quarter ended 31 Dec 2008
Canadian Dollar	0.9217	0.8130
Euro	0.5898	0.5090
Pound Sterling	0.4685	0.4278
United States Dollar	0.8847	0.6710

In deriving Australian Dollar income for the purpose of the income statement, MIG applies quarterly average exchange rates to all foreign income and expenses in the relevant quarter. The above table highlights the average exchange rates applied by MIG in the September and December quarter of 2008.

Table 35 – 10 year bond rates

COUNTRY	31 Dec 08 (%)	30 June 08 (%)	Change (%)
Australia	4.84	6.55	(26.1%)
Canada	3.42	3.77	(9.3%)
France	3.91	4.81	(18.7%)
United Kingdom	3.99	5.19	(23.1%)
United States	2.75	4.01	(31.4%)
Germany	3.22	4.62	(30.3%)

## APPENDIX 4 – NAB SENSITIVITIES

Table 36 – Impact of 50 basis point decrease to discount rates

ASSET	31 Dec 08	Valuation Increase	Adjusted Valuation	Increase in Net Asset Backing per security
	AUDm	AUDm	AUDm	AUD
407 ETR	3,571	436	4,007	0.19
M6 Toll	1,201	102	1,303	0.04
Financière Eiffarie (APRR)	767	47	814	0.02
Westlink M7	805	n/a	805	n/a
Dulles Greenway	345	31	376	0.01
Indiana Toll Road	189	26	215	0.01
Chicago Skyway	186	19	205	0.01
South Bay Expressway	12	6	18	0.00
Warnow Tunnel	2	-	2	0.00
Other	-	-	-	0.00
<b>Net Asset Valuation</b>	<b>7,078</b>	<b>667</b>	<b>7,745</b>	

Table 37 – Impact of 50 basis point increase to discount rates

ASSET	31 Dec 08	Valuation Decrease	Adjusted valuation	Decrease in Net Asset Backing per security
	AUDm	AUDm	AUDm	AUD
407 ETR	3,571	(368)	3,203	(0.16)
M6 Toll	1,201	(92)	1,109	(0.04)
Financière Eiffarie (APRR)	767	(44)	723	(0.02)
Westlink M7	805	n/a	805	n/a
Dulles Greenway	345	(29)	316	(0.01)
Indiana Toll Road	189	(22)	167	(0.01)
Chicago Skyway	186	(17)	169	(0.01)
South Bay Expressway	12	(5)	7	0.00
Warnow Tunnel	2	-	2	0.00
Other	-	-	-	0.00
<b>Net Asset Valuation</b>	<b>7,078</b>	<b>(577)</b>	<b>6,501</b>	

**Table 38 – Impact of 50 basis point decrease in interest rates (cost of debt at asset level)**

ASSET	31 Dec 08	Valuation Increase	Adjusted Valuation	Decrease in Net Asset Backing per security
	AUDm	AUDm	AUDm	AUD
407 ETR	3,571	38	3,609	0.02
M6 Toll	1,201	3	1,204	0.00
Financière Eiffarie (APRR)	767	40	807	0.02
Westlink M7	805	n/a	805	n/a
Dulles Greenway	345	(3)	342	0.00
Indiana Toll Road	189	3	192	0.00
Chicago Skyway	186	11	197	0.00
South Bay Expressway	12	3	15	0.00
Warnow Tunnel	2	-	1	0.00
Other	-	-	-	0.00
<b>Net Asset Valuation</b>	<b>7,078</b>	<b>95</b>	<b>7,173</b>	

**Table 39 – Impact of 50 basis point increase in interest rates (cost of debt at asset level)**

ASSET	31 Dec 08	Valuation Decrease	Adjusted Valuation	Increase in Net Asset Backing per security
	AUDm	AUDm	AUDm	AUD
407 ETR	3,571	(37)	3,534	(0.02)
M6 Toll	1,201	(3)	1,198	0.00
Financière Eiffarie (APRR)	767	(40)	727	(0.02)
Westlink M7	805	n/a	805	n/a
Dulles Greenway	345	4	349	0.00
Indiana Toll Road	189	(3)	186	0.00
Chicago Skyway	186	(8)	178	0.00
South Bay Expressway	12	(3)	9	0.00
Warnow Tunnel	2	-	2	0.00
Other	-	-	-	-
<b>Net Asset Valuation</b>	<b>7,078</b>	<b>(90)</b>	<b>6,988</b>	

**Table 40 – Impact of 5% decrease in revenue**

ASSET	31 Dec 08	Valuation Increase	Adjusted Valuation	Increase in Net Asset Backing per security
	AUDm	AUDm	AUDm	AUD
407 ETR	3,571	(232)	3,339	(0.10)
M6 Toll	1,201	(114)	1,087	(0.05)
Financière Eiffarie (APRR)	767	(212)	555	(0.09)
Westlink M7	805	n/a	805	n/a
Dulles Greenway	345	(39)	306	(0.02)
Indiana Toll Road	189	(29)	160	(0.01)
Chicago Skyway	186	(17)	169	(0.01)
South Bay Expressway	12	(8)	4	0.00
Warnow Tunnel	2	(1)	2	0.00
Other	-	-	-	-
<b>Net Asset Valuation</b>	<b>7,078</b>	<b>(652)</b>	<b>6,426</b>	

**Table 41 – Impact of 5% increase in revenue**

ASSET	31 Dec 08	Valuation Decrease	Adjusted Valuation	Decrease in Net Asset Backing per security
	AUDm	AUDm	AUDm	AUD
407 ETR	3,571	224	3,795	0.10
M6 Toll	1,201	113	1,314	0.05
Financière Eiffarie (APRR)	767	190	957	0.09
Westlink M7	805	n/a	805	n/a
Dulles Greenway	345	37	382	0.02
Indiana Toll Road	189	25	214	0.01
Chicago Skyway	186	22	208	0.01
South Bay Expressway	12	8	20	0.00
Warnow Tunnel	2	1	3	0.00
Other	-	-	-	-
<b>Net Asset Valuation</b>	<b>7,078</b>	<b>620</b>	<b>7,698</b>	

## APPENDIX 5 – TRAFFIC PERFORMANCE

Table 42 – Traffic performance vs pcp

ASSET	QUARTER		Change Vs pcp	YEAR TO DATE		
	3 months 31 Dec 08	3 months 31 Dec 07		6 months 31 Dec 08	6 months 31 Dec 07	Change Vs pcp
<b>407 ETR</b>						
Av Daily Rev (CAD)	1,551	1,476	5.0%	<b>1,618</b>	1,525	<b>6.1%</b>
VKT	560,395	580,020	(3.4%)	<b>1,173,997</b>	1,200,550	<b>(2.2%)</b>
Av Workday Trips	377	384	(1.8%)	<b>384</b>	388	<b>(1.0%)</b>
Av Daily Trips	310	315	(1.5%)	<b>317</b>	318	<b>(0.4%)</b>
<b>M6 Toll</b>						
Av Daily Rev (GBP)	154	155	(0.5%)	<b>162</b>	163	<b>(0.7%)</b>
Av Workday Traffic	44	48	(8.5%)	<b>45</b>	51	<b>(10.7%)</b>
Av Non-workday Traffic	29	35	(17.2%)	<b>31</b>	37	<b>(15.8%)</b>
Av All day Traffic	39	44	(11.5%)	<b>41</b>	47	<b>(11.8%)</b>
<b>APRR (Group)</b>						
Toll Revenue (EUR)	408	417	(2.0%)	<b>905</b>	913	<b>(0.8%)</b>
LV (VKM)	3,729	3,828	(2.6%)	<b>8,974</b>	9,210	<b>(2.6%)</b>
HV (VKM)	807	901	(10.5%)	<b>1,630</b>	1,753	<b>(7.0%)</b>
<b>Westlink M7</b>						
Av Daily Rev	510	461	10.5%	<b>502</b>	454	<b>10.7%</b>
Av Workday Trips	137	130	5.4%	<b>135</b>	128	<b>5.7%</b>
Av Daily Trips	121	115	5.1%	<b>120</b>	114	<b>5.9%</b>
Av Daily Tolloed VKT	1,551	1,467	5.7%	<b>1,540</b>	1,451	<b>6.1%</b>
Av Daily Travelled VKT	1,870	1,775	5.4%	<b>1,854</b>	1,756	<b>5.6%</b>
<b>Dulles Greenway</b>						
Av Daily Rev (USD)	151	157	(3.8%)	<b>152</b>	159	<b>(3.9%)</b>
Av Workday Traffic	60	62	(3.4%)	<b>60</b>	63	<b>(3.9%)</b>
Av Non-workday Traffic	33	34	(2.8%)	<b>33</b>	35	<b>(4.8%)</b>
Av All day Traffic	52	54	(3.2%)	<b>52</b>	54	<b>(3.8%)</b>
<b>Indiana Toll Road</b>						
Av Daily Rev (USD)	383	387	(1.0%)	<b>437</b>	416	<b>5.1%</b>
All Days – Ticket	23	24	(4.8%)	<b>26</b>	27	<b>(3.1%)</b>
All Days – Barrier	67	90	(25.8%)	<b>74</b>	98	<b>(24.4%)</b>
<b>Chicago Skyway</b>						
Av Daily Rev (USD)	164	141	16.7%	<b>180</b>	150	<b>20.0%</b>
Av Workday Traffic	43	47	(9.6%)	<b>46</b>	50	<b>(7.8%)</b>
Av Non-workday Traffic	45	49	(8.4%)	<b>50</b>	54	<b>(6.8%)</b>
Av All day Traffic	43	48	(9.2%)	<b>47</b>	51	<b>(7.5%)</b>
<b>Lusoponte</b>						
Av northbound Vasco da Gama	31	32	(2.7%)	<b>31</b>	32	<b>(2.8%)</b>
Av Northbound 25 <sup>th</sup> April	75	76	(2.2%)	<b>79</b>	80	<b>(1.7%)</b>
<b>South Bay Expressway</b>						
Av Daily Rev (USD)	59	n/a	n/a	<b>59</b>	n/a	<b>n/a</b>
Av Workday Traffic	29	n/a	n/a	<b>29</b>	n/a	<b>n/a</b>
Av Non-workday Traffic	19	n/a	n/a	<b>19</b>	n/a	<b>n/a</b>
Av All day Traffic	26	n/a	n/a	<b>26</b>	n/a	<b>n/a</b>
<b>Warnow Tunnel</b>						
Av All day Traffic	11	10	7.7%	<b>11</b>	11	<b>4.0%</b>

## APPENDIX 6 – PORTFOLIO CHARACTERISTICS

Figure 47 – Geographic split of assets

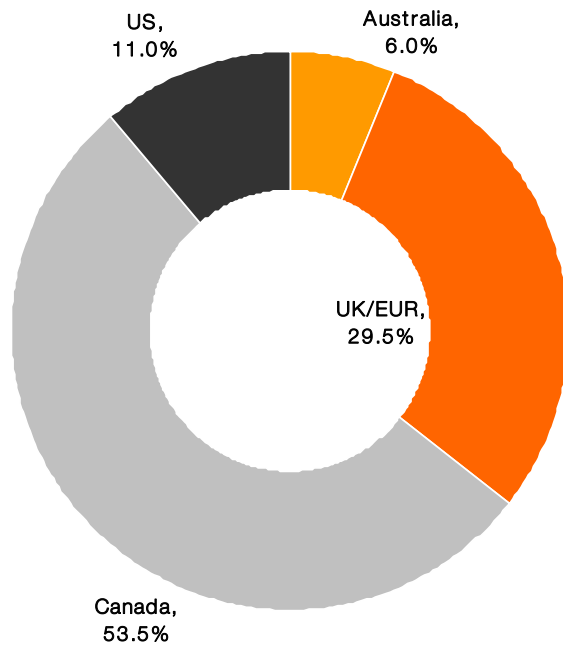


Figure 48 – Concession term remaining

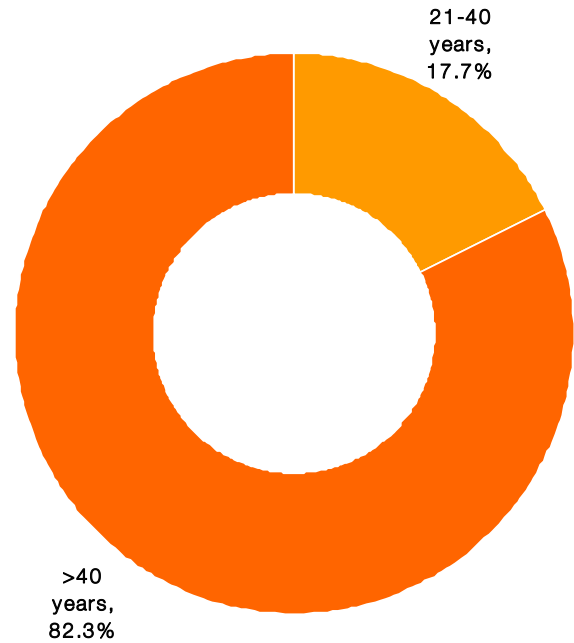
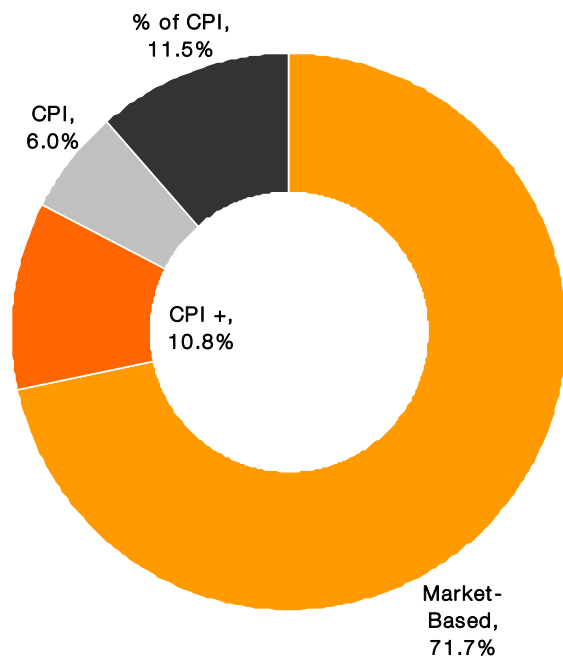


Figure 49 – Tolling mechanism



The charts in Figures 46-48 represent the split of MIG's assets assuming the completion of the sale of Westlink M7 to WSRG, and MIG's proposed 50% ownership of WSRG.

## APPENDIX 7 – DEBT RATINGS OF ASSETS

Asset	Rating	Rating Agency	Rating date
407 ETR	A	Standard and Poors	September 2008
	A	DBRS	October 2008
M6 Toll	BBB-	Standard and Poors	August 2008
APRR	BBB-	Standard and Poors	November 2008
	Baa3	Moody's	August 2008
Westlink M7	BBB	Fitch	December 2007
Dulles Greenway	BBB-	Standard and Poors	February 2009
	Baa3	Moody's	February 2009
	BBB	Fitch	October 2008
Skyway	AAA	Standard and Poors	August 2005
	Aaa	Moody's	August 2005

## APPENDIX 8 – DSCR CALCULATION METHODOLOGY

### 407 ETR

The DSCR is calculated as Net Revenues/Annual Debt Service.

- Net revenues = EBITDA in accordance with GAAP, plus interest income on cash reserves, minus income tax and capital tax, plus or (minus) swap or hedge gains (losses).
- Debt Service = Interest and principal payment from the company's general fund, excluding payments from pre funded interest reserve and interest expense on indebtedness and implied debt amortization.

### M6 Toll

DSCR is defined as CFADS over Debt Service Obligations over a given period, defined as:

- CFADS = the aggregate of all Gross Revenues (other than any Compensation) received during the period less: the Operating Expenditure paid during the period
  - Gross Revenues: all monies received/receivable by the Borrower (except ringfenced accounts - the sums held at MMG for Lusoponte/APRR)
  - Compensation: Sums payable to ProjectCo in respect of nationalisation/expropriation/compulsory purchase by Government
  - Operating Expenditure: Amounts payable by the Borrower including Taxes, Lenders' Agent expenses, any other cost up to £1.0m RPI indexed
- Debt Service Obligations = Scheduled interest payable, plus Scheduled principal amounts (net of refinancings) excluding prepayments, plus mandatory prepayments (i.e. cashsweeps) and Additional Fixed Amounts (the Swap Cash Sweep amounts), plus any fees related to the debt, and net amounts paid/received under the Swap, excluding Swap Termination Payments

### APRR

The DSCR test defined in the debt documents is  $DSCR = \text{Total CFADS} / \text{Total debt service}$

- APRR CFADS = APRR's EBITDA +/- changes in working capital - capex not funded by debt - tax payments + dividends received
- Total CFADS = 81.48% APRR CFADS - Eiffarie tax paid (received) - Eiffarie opex
- APRR/Eiffarie debt service = net interest paid + recurring fees + net hedge payments + scheduled principal repayments (except those falling due at a final maturity date)

### Westlink M7

Westlink calculation of  $DSCR = \text{Post Tax Cash Available for debt Service} / \text{Interest Payment}$

- Cash available for debt service is defined as Toll revenue at a sensitivity of 100% plus interest income, less company operating expenses, operating and maintenance costs, variable cost, major maintenance (including transfer to/from MCMR), capital expenditure, net movement in working capital, other fees and costs, revenue sharing payments to RTA and independent certifier costs.

### Dulles Greenway

The Minimum DSCR is calculated as  $\text{Net Toll Revenues (Toll Revenues - Operating Expenses)} / \text{Total Debt Service} = \text{Minimum Coverage Ratio}$

### Indiana Toll Road

On ITR the DSCR is calculated as  $\text{Net Cash Flow} / \text{Debt Service}$ .

- Net Cash Flow = Toll Revenue + Concession Revenue + Interest Revenue – Opex
- Debt Service = Principal + Interest + Debt Fees

For ITR, DSCR is brought back up to 1.00x by Liquidity Facility drawdowns.

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### Chicago Skyway

On ITR the DSCR is calculated as Net Cash Flow / Debt Service.

- Net Cash Flow = Toll Revenue + Concession Revenue + Interest Revenue – Opex
- Debt Service = Principal + Interest + Debt Fees

### South Bay Expressway

DSCR = (12 month backward looking CFADS + Closing Balance of the Additional Equity Account) / (12 month backward looking Total Mandatory Debt Service) where:

- CFADS = Operating Revenue - Operating Cost - Capex + Interest Income
- Total Mandatory Debt Service = Senior Debt Service + TIFIA Mandatory Debt Service

### Warnow Tunnel

DSCR is calculated as the ratio of total cash available for debt service over Tranche 1 interest and principle payable.