



MACQUARIE KOREA INFRASTRUCTURE FUND REPORTS FIRST QUARTER 2009 FINANCIAL AND TRAFFIC RESULTS

30 April 2009 - Macquarie Korea Infrastructure Fund (“MKIF”) today announced its financial results for the 1st quarter ended 31 March 2009 (the “Quarter”), together with the traffic results for the same period.

Highlights for the Quarter include:

- On a weighted average basis¹ actual traffic volume and revenue fell by 1.7% and 0.2% respectively when compared to the prior corresponding period (“pcp”). The result reflects the impact of the economic slowdown on traffic volumes, however, toll increases reduced the overall impact on revenue.
- On a non-consolidated basis, MKIF recorded total revenue and net income of KRW40.9 billion and KRW29.1 billion for the Quarter. Excluding the one-off capital gains recognised in the first quarter of 2008, the total revenue and net income for the Quarter increased by 8% and 21%, respectively, compared to the pcp.
- During the period MKIF divested its senior loan commitment in Incheon Grand Bridge. The transaction has been priced at book value with total cash proceeds to MKIF of KRW134.5 billion². This represents the amount which has been drawn down to date out of the total commitment of KRW188 billion.
- MKIF remains financially healthy with conservative capital positions:
 - Proportionately consolidated cash balance³ of KRW354 billion
 - All asset level debt is fully-funded, amortising debt has an average maturity of nine years
 - No external funding required for next three years
 - Proportionately consolidated gearing⁴ of 51%
- Assets under construction are progressing well with five out of six assets to commence operation during the second half of 2009. Seoul Subway Line 9, Section 1 and Yongin-Seoul Expressway are expected to commence operation as early as June this year.

Mr Chul Hum Paik, Representative Director of Macquarie Shinhan Infrastructure Asset Management Co. Ltd. (“MSIAM”), said: “The quality of MKIF’s portfolio, which is substantially underpinned by inflation-linked and government subsidised revenue streams, continues to support stability in financial and operational performance and position MKIF to deliver on its capital management initiatives in difficult financial market conditions.

“Managing construction risks is one of MKIF’s key business objectives. The construction of our six greenfield roads is progressing well, and significantly, five of the roads are expected to open to operation this year both on time and on budget.

“I am pleased to report another solid result for the Quarter and that our key business objectives are being met. Whilst we face unprecedented times of global market and economic volatility and uncertainty MKIF has

¹ The weighted average growth rates in traffic and revenue are weighted by reference to revenue and calculated based on MKIF’s percentage ownership interest in each concession company

² MKIF received KRW67.25billion out of the total cash proceeds of KRW134.5 billion in April

³ Proportionately consolidated cash balance including MKIF cash balance of KRW 213bn)

⁴ Gearing = MKIF Net Debt/(MKIF Net Debt + MKIF market capitalisation(3-month average)), where MKIF Net Debt = Proportionate net debt from assets + Corporate net debt. Excludes shareholder loans

maintained its prudent and vigilant approach to businesses management and we remain on track to deliver on business activities that will preserve value.

“MKIF is committed to pursuing on-going capital management initiatives, monetisation of assets and the restructuring asset level debt. MKIF will continue to monitor macroeconomic and financial market changes to assess the potential impact they may have on the underlying businesses particularly those expected to undergo ramp-up phase this year. Facilitating a smooth transition for the newly operational assets is critical in maximising performance of those assets,” Mr Paik concluded.

Financial Results

	(Unit: KRW million)	
	Quarter to 31 March 2009	Quarter to 31 March 2008
Revenue	40,867	117,224
Interest and dividend income	40,534	37,407
Gain on sale of investments	-	79,400
Gain (loss) on valuation of debt securities	-	(2,921)
Other income	333	3,338
Operating Expenses	11,746	13,791
Management fee	5,859	7,584
Interest expense	4,512	3,447
Other expenses	1,375	2,760
Net Income	29,121	103,433

1. Gains on (i) securitisation of shareholders loan in Baekyang Tunnel of KRW24.5bn and (ii) divestment of the convertible bonds in New Daegu-Busan Expressway of KRW54.9bn

Traffic Results

Asset	2009 1- Quarter	
	Traffic (%) ¹	Revenue (%) ²
Weighted Average growth	(1.7%)	(0.2%)

1. Percentage change from prior corresponding period, based on average daily traffic.

2. Percentage change from prior corresponding period, based on average daily revenue.

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Appendix1. Financial results

BALANCE SHEETS

As of 31 March 2009 and 31 December 2008

	31 March 2009	31 December 2008
		(Unit: KRW Millions)
Assets		
I . Invested Assets	1,948,621	1,929,621
Cash & deposits	212,649	182,412
Loans	1,139,466	1,144,656
Equity securities	596,506	602,553
II . Others	172,108	170,211
Interest receivable	161,951	160,031
Other receivables	2,479	2,428
Deferred costs, net	7,678	7,752
Total Assets	<u>2,120,729</u>	<u>2,099,832</u>
Liabilities		
Accounts Payable	9,602	9,606
Management fee payable	5,859	5,975
Long-term debt	407,053	340,523
Other liabilities	2,680	2,900
Total Liabilities	<u>425,194</u>	<u>359,004</u>
Shareholders' Equity		
I . Share Capital	1,670,986	1,631,531
II . Retained Earnings	24,549	109,297
Retained earnings (losses)	(4,572)	(74,403)
Current profits/(losses)	29,121	183,700
Total Shareholders' Equity	<u>1,695,535</u>	<u>1,740,828</u>
Total Liabilities and Shareholders' Equity	<u>2,120,729</u>	<u>2,099,832</u>

STATEMENTS OF INCOME

For the quarters ended 31 March 2009 and 2008

(Unit: KRW million)

	<u>1Q 2009</u>	<u>1Q 2008</u>
Revenue	40,867	117,224
Interest Income	40,534	36,925
Dividend Income	-	482
Arrangement Fees	144	2,895
Loss on valuation of debt securities	-	(2,921)
Gain on sale of loans receivable	-	24,454
Gain on sale of debt securities	-	54,946
Other income	189	443
Expenses	11,746	13,791
Management fees	5,859	7,584
Custodian fees	84	127
Administrator fees	73	74
Interest expenses	4,512	3,447
Other expenses	1,218	2,559
Net Profits	29,121	103,433

Appendix2. Traffic and Revenue

1. TRAFFIC VOLUME AND TRAFFIC REVENUE - PORTFOLIO SUMMARY

On a weighted average basis, traffic and revenue decreased by 1.7% and 0.2%, respectively, during the first quarter (the Quarter), when compared to pcp. The highlights from the traffic results include:

- The weak traffic performance for the Quarter is generally attributable to the economic slowdown impacting the number of road users and the travel time.
- Certain assets, including Woomyunsan Tunnel and Gwangju Second Beltway Section 3-1, had relatively strong traffic results mainly due to the additional traffic inflow coming from more congested adjacent roads.
- The increases in toll rates reduce the negative impact of declining traffic on revenues

Asset	2008 March Quarter		% of MKIF
	Traffic (%) ^a	Revenue (%) ^b	Portfolio ^c
Incheon International Airport Expressway	(9.8)	(9.2)	5.7
Baekyang Tunnel	(3.9)	(4.7)	0.1
Gwangju Second Beltway, Section 3-1	15.5	15.1	5.3
Gwangju Second Beltway, Section 1	(0.7)	(1.4)	9.8
Woomyunsan Tunnel	13.5	12.9	1.0
Cheonan-Nonsan Expressway	1.6	5.9	13.9
Soojungsan Tunnel	(3.6)	(5.1)	7.0
Daegu 4- Beltway East	(0.4)	(0.4)	4.6
Machang Bridge	N/A	N/A	5.1
Weighted Average	(1.7)	(0.2)	-

a Percentage increase from prior corresponding period, based on average daily traffic.

b Percentage increase from prior corresponding period, based on average daily revenue.

c Percentage based on total commitments by MKIF to all investments in the MKIF portfolio.

As well as reflecting growth in traffic flows for each asset, the revenue growth recorded by the concession companies in which MKIF invests may reflect inflation linked toll rate increases, and may also be influenced by changes to the traffic mix, between heavy and light vehicles, for which different toll rates apply.

2. TRAFFIC AND REVENUE - INDIVIDUAL CONCESSION COMPANY PERFORMANCE

For the purposes of this analysis, traffic for each toll road asset is calculated as the average daily traffic volume. Except as stated otherwise, revenue for each toll road asset represents actual average daily revenue collected (excluding VAT). Actual revenue collected does not include minimum revenue compensation payments received from the relevant government authority or other minor forms of compensation received, which are described in Section 3 below. Accordingly, revenue performance in the concession companies is not a direct guide to the revenue performance of MKIF.

Incheon International Airport Expressway

Category	Q1 2009	Q1 2008	% Change
Average daily traffic (vehicles / day)	57,445	63,719	(9.8%)
Average daily revenue (1,000 won)	336,443	370,558	(9.2%)

Note: Traffic for the Quarter decreased compared with pcp, mainly due to the fact that the number of passengers using the airport decreased from the pcp as a result of the economic downturn.

Baekyang Tunnel

Category	Q1 2009	Q1 2008	% Change
Average daily traffic (vehicles / day)	64,291	66,882	(3.9%)
Average daily revenue (1,000 won)	46,733	49,028	(4.7%)

Note: Following negotiations with Busan Metropolitan City (BMC), toll rates were not increased since August 2007. According to the Concession Agreement, BMC is going to pay compensation for the incremental toll revenue foregone by the concession company.

Gwangju Second Beltway, Section 3-1

Category	Q1 2009	Q1 2008	% Change
Average daily traffic (vehicles / day)	26,584	23,007	15.5%
Average daily revenue (1,000 won)	21,270	18,472	15.1%

Note: Strong traffic growth is attributable to the commencement of the adjoining Section 4 operation since 1 July 2007. Following negotiation with Gwangju Metropolitan City (GMC) authority, toll rates was increased first time Won1,000 from Won900 per vehicle from April 1, 2009 since operation. According to Concession Agreement, GMC is going to pay compensation for the incremental toll revenue foregone by the concession company.

Gwangju Second Beltway, Section 1

Category	Q1 2009	Q1 2008	% Change
Average daily traffic (vehicles / day)	34,108	34,341	(0.7%)
Average daily revenue (1,000 won)	29,678	30,102	(1.4%)

Note: Following negotiation with GMC authority, toll rates were increased first time Won 1,000 from Won 900 per vehicle from April 1, 2009 since operation. According to Concession Agreement, GMC is going to pay compensation for the incremental toll revenue foregone by the concession company.

Woomyunsan Tunnel

Category	Q1 2009	Q1 2008	% Change
Average daily traffic (vehicles / day)	21,712	19,137	13.5%
Average daily revenue (1,000 won)	37,663	33,348	12.9%

Note: According to Concession Agreement, the toll rate is fixed at KRW2,000 till 2009. The traffic has increased due to the migration of traffic from Seoul Busan Expressway where is suffered from more congestions due to the newly-introduced dedicated bus lane

Cheonan-Nonsan Expressway

Category	Q1 2009	Q1 2008	% Change
Average daily traffic (vehicles / day)	31,592	31,109	1.6%
Average daily revenue (1,000 won)	236,740	223,474	5.9%

Note: The higher year-on-year revenue growth compared to traffic growth is due to the CPI-linked toll adjustment made in October 2008.

Soojungsan Tunnel

Category	Q1 2009	Q1 2008	% Change
Average daily traffic (vehicles / day)	37,906	39,318	(3.6%)
Average daily revenue (1,000 won)	28,352	29,889	(5.1%)

Note: Following negotiations with BMC, toll rates were not increased since August 2007. According to the Concession Agreement, BMC is going to pay compensation for the incremental toll revenue foregone by the concession company.

Daegu 4th Beltway East

Category	Q1 2009	Q1 2008	% Change
Average daily traffic (vehicles / day)	17,753	17,827	(0.4%)
Average daily revenue (1,000 won)	17,801	17,868	(0.4%)

Note: Following negotiations with Daegu Metropolitan City (DMC), toll rates were not increased since the operation commencement. According to the Concession Agreement, DMC is going to pay compensation for the incremental toll revenue foregone by the concession company.

Machang Bridge

Category	Q1 2009	Q1 2008	% Change
Average daily traffic (vehicles / day)	10,195	N/A	N/A
Average daily revenue (1,000 won)	21,821	N/A	N/A

Note: Machang Bridge has commenced its toll operation from 15 July 2008.