

**MACQUARIE INTERNATIONAL
INFRASTRUCTURE FUND LIMITED**

SGX Quarterly Report for the quarter ended 31 March 2009



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REPORT SUMMARY

REPORT SUMMARY

FINANCIAL HIGHLIGHTS

Macquarie International Infrastructure Fund Limited (MIIF) achieved a net income on an adjusted basis of S\$23.4 million for the quarter ended 31 March 2009, up from S\$11.7 million in the prior corresponding period.

The increase in MIIF's net income on an adjusted basis was primarily due to:

- Higher investment income as a result of distributions from Canadian Aged Care (CAC) and Taiwan Broadband Communications (TBC) of S\$13.8 million which was comparable to 2008 and an additional ordinary distribution from Arqiva of S\$3.8 million¹;
- Net foreign exchange gain of S\$7.0 million primarily due to the realisation of certain MIIF distribution hedges; and
- MIIF's total operating expenses of S\$1.3 million were S\$4.1 million lower than the prior year, driven by lower management fees and reduced interest expenses as a result of lower company-level borrowings.

MIIF's Net Asset Value (NAV) per share as at 31 March 2009 was S\$0.88, compared with S\$0.97 as at 31 December 2008. The decrease for the quarter was driven particularly by the material reduction in the fair value of Arqiva and Macquarie European Infrastructure Fund (MEIF) and to a lesser extent CAC and Changshu Xinghua Port (CXP). The reduction in the fair value of these businesses was partially offset by small foreign exchange driven gains in the remainder of the portfolio.

Revaluation losses of S\$84.9 million for the quarter ended 31 March 2009 (2008: losses of S\$34.8 million) were reported in MIIF's statutory accounts. These unrealised losses do not impact MIIF's cash flows or its ability to pay a dividend in the current period.

OPERATIONAL HIGHLIGHTS

Key highlights from MIIF's operating businesses for the three months to 31 March 2009 include:

- Arqiva: During the quarter, Arqiva was appointed the strategic partner of Mobile Broadband Network Limited (MBNL), the joint venture between T-Mobile UK and 3 UK for the provision of cell sites. Under the terms of the 10-year agreement, Arqiva will provide MBNL with 5,100 sites and Arqiva will have exclusive marketing rights for site sharing services on a further 2,500 sites;
- Canadian Aged Care (CAC): Despite earnings contributions from seven newly-acquired homes and greater use of private accommodation across the portfolio, CAC's EBITDA for the quarter was comparable to the prior year due to higher operating expenses arising from the newly acquired homes and one-off refurbishment costs. CAC sustained a high average total occupancy across its homes of 98.1 per cent (2008: 98.1 per cent). The average occupancy of rooms designated for private use was higher for the period at 94.4 per cent (2008: 91.9 per cent);
- Changshu Xinghua Port (CXP): The continued fall in demand for steel and other products from China's major export markets was the primary driver in lower throughput volumes in the first quarter. EBITDA was 15.5 per cent lower than prior year;
- Hua Nan Expressway (HNE): Toll revenue of RMB104.2 million for the quarter was slightly lower than the prior year, with traffic down marginally to 9.6 million vehicles (2008: 9.9 million). This was due to the economic slowdown in China which has resulted in reduced manufacturing output and hence factory closures in Guangdong province. EBITDA was 5.6 per cent lower than 2008;

¹ Paid out of available cash balances generated from Arqiva's normal operations

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- Miaoli Wind: Miaoli Wind posted revenue of NT\$80.8 million on total energy production of 44.5 GWh for the quarter (2008: 52.3 GWh). EBITDA of NT\$66.4 million for the quarter was NT\$21.6 million lower when compared to the prior year primarily due to lower power generation as a result of poor wind performance;
 - Taiwan Broadband Communications (TBC): An increase in basic analogue cable television subscriber numbers, steady growth in internet broadband subscription and effective cost control led to EBITDA growth of 5.7 per cent for the quarter when compared to the prior year;
 - Macquarie European Infrastructure Fund (MEIF): As a consequence of the slowdown in economic activity in Europe, MEIF's transportation businesses particularly APRR, Wightlink, Bristol Airport and Brussels Airport recorded lower traffic performance in the quarter under review, thereby leading to lower revenue and EBITDA when compared to the prior year. MEIF remains focused on ensuring its businesses are appropriately placed for the current economic environment and debt market conditions. The Boards and management teams of Thames Water, Wales and the West and Wightlink have decided that it would be prudent to de-leverage these businesses by repaying certain debt facilities ahead of maturity. As a result, MEIF's receipts from these businesses will be reduced, thereby diminishing its ability to pay distributions to MIIF.

PORTFOLIO OUTLOOK

While global economic and debt market conditions are anticipated to remain challenging during 2009, it is important to note that all borrowings held by MIIF's underlying businesses are non-recourse to MIIF and have substantial remaining contractual terms of between two and 14 years, with the earliest maturing in 2011.

MIIF has a cautious view regarding future developments in the debt market over the short to medium term. While MIIF's businesses do not face any major contractual refinancing, the availability of debt in the current markets has been reduced. Accordingly, MIIF will continue to maintain a conservative approach to capital management and is focused on ensuring its businesses are appropriately placed for the current environment. This may include active management of debt facilities and potential debt reductions. In this event, receipts from the underlying business would be reduced with a commensurate effect on MIIF's ability to pay dividends to shareholders.

With respect to global economic activity, MIIF's investments in TBC, CAC and Miaoli Wind are likely to remain relatively unaffected. However, revenues from MIIF's remaining investments, particularly those in China and transportation assets in Europe, are being impacted by the economic slowdown. MIIF will continue to focus on ensuring that the cost bases and revenue optimising initiatives are appropriate for the prevailing operating environment.

PERFORMANCE REVIEW OF
MACQUARIE INTERNATIONAL INFRASTRUCTURE
FUND LIMITED

INTRODUCTION

ABOUT MIIF

Macquarie International Infrastructure Fund Limited (MIIF or the Company), a Bermuda-registered mutual fund company, is a leading Asia-listed owner and operator of private infrastructure businesses. MIIF has significant investments in toll roads, ports, communications and broadcast infrastructure, transport infrastructure, renewable energy, and aged-care infrastructure, among others.

MIIF was the first infrastructure fund to list on the main board of the Singapore Exchange Securities Trading Limited (SGX-ST). MIIF listed on the SGX-ST on 27 May 2005 and has over 7,900 investors, including retail investors and some of the world's foremost institutional investors.

MIIF is an Asian-focused listed infrastructure fund managed by Macquarie Infrastructure Management (Asia) Pty Limited (MIMAL), part of Macquarie Capital Funds which, through special purpose management companies, has approximately A\$51.4 billion (S\$54.4 billion) of equity under management as at 31 March 2009.

As at 31 March 2009, MIIF's portfolio comprises the following businesses:

Investment Portfolio	Percentage Ownership (%)	Percentage of Portfolio by Value (%)
Arqiva	8.7	24.2
Canadian Aged Care (CAC)	55.0	7.5
Changshu Xinghua Port (CXP)	38.0	7.7
Hua Nan Expressway (HNE)	81.0	24.8
Macquarie European Infrastructure Fund (MEIF)	6.3	17.9
Miaoli Wind Co. Ltd (Miaoli Wind) – formerly known as infraVest Wind	100.0	2.1
Taiwan Broadband Communications (TBC)	20.0	15.8

DIVIDEND POLICY

MIIF's dividend policy is based on the anticipated cash flows from its investments. MIIF intends to pay out as ordinary dividends to shareholders the majority of normal distributions received from MIIF's investment and not to retain significant cash balances in excess of prudent reserves. Prudent reserves are required to ensure that MIIF remains solvent and that, amongst other things, operating costs such as finance costs, audit fees, registry fees and hedging costs are adequately provided for. Should MIIF receive additional cash receipts from its business which are of a non-recurring nature, as a result of capital management initiatives such as refinancing or asset sales, these proceeds would be distributed by way of a special distribution. MIIF declares and pays regular semi-annual cash dividends on all outstanding shares.

As a Bermudian incorporated company, MIIF is governed by the Bermuda Companies Act 1981. The Bermuda Companies Act 1981 allows companies that are governed by it to declare and pay dividends to shareholders in excess of accounting profits and reserves. Consequently, it is possible that the dividends that MIIF's Board of Directors (The Board) intends to declare and pay for the period exceeds the total of MIIF's retained earnings and accounting profits generated for the period. Such situations may arise as a result of unrealised losses that MIIF is required to recognise due to movements in its foreign exchange rates, changes in the value of MIIF's unlisted securities and other business specific and general economic factors. These unrealised losses do not impact MIIF's cash flow and its ability to pay dividends in the current period.

DIVIDENDS

The final dividend for the half year ended 31 December 2008 was paid on 27 March 2009. The interim dividend for the six months to 30 June 2009 is anticipated to be declared on 12 August 2009.

The table below provide details of MIIF's historical dividends:

Period ended	Cents per share
30 June 2005	2.20
31 December 2005	3.10
30 June 2006	3.95
31 December 2006	4.00
30 June 2007	4.15
31 December 2008	4.25
30 June 2008	4.25
31 December 2008	3.00

TAXATION

As MIIF is incorporated in Bermuda and is not a resident in Singapore for tax purposes, dividends paid by MIIF will be regarded as foreign-source income. The foreign dividend is subject to Singapore corporate income tax when received in Singapore by corporate shareholders. Foreign dividends received by foreign investors with no permanent establishment in Singapore are generally not subject to Singapore income tax. Foreign dividends received by individuals in Singapore (whether resident or otherwise) are exempt from Singapore income tax.

Note: Each shareholder and prospective investor is advised to consult their professional tax adviser about the particular or potential tax consequences of their investment in MIIF shares.

STATEMENT OF COMPREHENSIVE INCOME ANALYSIS

Net income on an adjusted basis represents the earnings of MIIF that underpins the payment of dividends to MIIF shareholders, and as such is the measure that MIIF's Board of Directors focuses on to determine the amount of dividends that are ultimately paid to shareholders. It does not include all items of revenue and expense that are ordinarily captured in a statement of comprehensive income prepared in accordance with all applicable accounting standards.

The following table compares the unaudited actual results for the quarter and year to 31 March 2009 to the quarter and year to 31 March 2008.

REVIEW OF NET INCOME ON AN ADJUSTED BASIS

NET INCOME ON AN ADJUSTED BASIS

	Note	Quarter ended 31 Mar 09 \$'000	Quarter ended 31 Mar 08 \$'000
Revenue			
Total income from investments	A	17,567	14,344
Non-recurring income from investments	A	-	-
Interest income	B (i)	20	97
Net foreign exchange gain	B (ii)	7,034	2,576
Total revenue		24,621	17,017
Expenses			
Management fees	C (i)	640	3,096
Directors' fees	C (ii)	109	72
Finance costs	C (iii)	109	1,060
Other operating expenses	C (iv)	398	1,116
Total operating expenses		1,256	5,344
Net income on an adjusted basis		23,365	11,673
Loss on disposal of investments	D	-	(2,471)
Profit attributable to equity holders		23,365	9,202
Amounts not included in the above analysis			
Net loss on the movement in the fair value of MIIF's financial assets ⁽¹⁾		(104,511)	(56,313)
Transaction costs		-	(2,000)
Total GAAP adjustments		(104,511)	(58,313)
Net (loss)/income on an unconsolidated basis ⁽²⁾		(81,146)	(49,111)
Consolidation adjustments to net income		1,800	(942)
Net (loss)/income on a consolidated basis		(79,346)	(50,053)

1) The net loss on financial assets at fair value as shown in the income statement on this page is different to the net (loss)/gain on financial assets at fair value as shown on page 12 of this report because of the required treatment of distributions as set out in MIIF's accounting policies and the reclassification of realised loss to be included in gain/(loss) on disposal of investment.

2) Please refer to page 18 for reconciliation to consolidated statement of comprehensive income.

All figures, unless stated otherwise are presented in Singapore dollars, which is MIIF's functional and presentation currency. Notes to net income on an adjusted balance can be found on pages 20 to 23.

REVIEW OF NET INCOME ON AN ADJUSTED BASIS

For the quarter ended 31 March 2009, MIIF reported a net income on an adjusted basis of \$23.4 million which was \$11.7 million higher compared to the prior corresponding period (pcp). The increase was due to higher income from investments, higher net foreign exchange gain, lower management fees and lower company-level finance costs.

MIIF received income from investments of \$17.6 million from Arqiva (\$3.8 million), CAC (\$3.7 million) and TBC (\$10.0 million) in the quarter under review. Total income from investments was 22.5% higher compared to the pcp.

Total revenue of \$24.6 million also benefited from net foreign exchange gains of \$7.0 million.

MIIF's total operating expenses of \$1.3 million for the quarter ended 31 March 2009 were \$4.1 million lower than the pcp due to reduced management fees and company-level finance costs. The lower management fees were due to the reduced net investment value of MIIF and the lower finance costs were due to the decrease in average company-level borrowings.

MACQUARIE INTERNATIONAL
INFRASTRUCTURE FUND LIMITED

FINANCIAL STATEMENTS FOR QUARTER
ENDED 31 MARCH 2009

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	Group as at 31 Mar 09 \$'000	Group as at 31 Dec 08 \$'000	Company as at 31 Mar 09 \$'000	Company as at 31 Dec 08 \$'000
ASSETS					
Current assets					
Cash at bank	I	35,039	35,403	24,541	12,186
Trade and other receivables	E (i)	1,146	10,620	3,474	13,534
Financial assets at fair value through profit or loss	E (ii)	-	6,847	-	6,847
Other asset		41	130		28
		36,226	53,000	28,015	32,595
Non-current assets					
Intangible assets	E (iii)	103,564	102,872	-	-
Financial assets at fair value through profit or loss	E (iv) & (v)	1,175,311	1,260,106	1,167,207	1,253,291
Other assets		530	1,636	-	-
		1,279,405	1,364,614	1,167,207	1,253,291
Total assets		1,315,631	1,417,614	1,195,222	1,285,886
Liabilities					
Current liabilities					
Trade and other payables	F (i)	10,646	27,809	1,310	3,394
Financial liabilities at fair value through profit or loss	F (iii)	1,427	-	1,392	-
Borrowings	F (ii)	56,857	25,529	50,122	20,014
		68,930	53,338	52,824	23,408
Non-current liabilities					
Trade and other payables		88	71	-	-
Financial liabilities at fair value through profit or loss	F (iii)	7,181	7,848	-	-
Provision for other liabilities and charges		445	435	-	-
Borrowings	F (ii)	87,213	86,476	-	-
		94,927	94,830	-	-
Total liabilities		163,857	148,168	52,824	23,408
Net assets		1,151,774	1,269,446	1,142,398	1,262,478
Equity					
Share capital		1,246,616	1,246,616	1,246,616	1,246,616
Foreign currency translation reserve		811	1,271	-	-
Retained earnings		(126,968)	(8,688)	(104,218)	15,862
		1,120,459	1,239,199	1,142,398	1,262,478
Minority interest	F (iv)	31,315	30,247	-	-
Total equity		1,151,774	1,269,446	1,142,398	1,262,478

- Notes to the consolidated statements of financial position can be found on pages 24 to 30.
- Please refer to note L(vii) on pages 34 to 35 for the listing of all subsidiaries and joint venture entities included within the Group results.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group Quarter ended 31 Mar 09 \$'000	Group Quarter ended 31 Mar 08 \$'000
Income		
Power supply revenue	3,622	343
Interest revenue	34	117
Other income	2	5
Net foreign exchange gain/(loss)	8,612	(6,539)
Net loss on financial assets at fair value through profit or loss ⁽¹⁾	(84,861)	(34,761)
Total income	(72,591)	(40,835)
Expenses		
Base management fees	640	3,096
Finance costs	1,214	1,178
Employee benefits expense	102	31
Professional services	199	2,547
Rental expense	43	23
Directors' fees	136	104
Amortisation	1,507	191
Other operating expenses	920	755
Total operating expenses	4,761	7,925
Loss before income tax	(77,352)	(48,760)
Income tax expense	(527)	(1,475)
Loss after income tax	(77,879)	(50,235)
Loss attributable to:		
Owners of the parent	(79,346)	(50,053)
Minority interest	1,467	(182)
Loss after income tax	(77,879)	(50,235)

1) Income from investments is shown as part of "Net loss/gain on financial assets at fair value through profit or loss" as per MIIF's accounting policies and International Financial Reporting Standards (IFRS).

	Group Quarter ended 31 Mar 09 \$'000	Group Quarter ended 31 Mar 08 \$'000
Loss after income tax	(77,879)	(50,235)
Other comprehensive income:		
Foreign currency translation reserve	(859)	(4,161)
Total comprehensive income	(78,738)	(54,396)
Total comprehensive income attributable to:		
Owners of the parent	(79,806)	(54,196)
Minority interest	1,068	(200)
Total comprehensive income	(78,738)	(54,396)

EARNINGS PER SHARE

	Group Quarter ended 31 Mar 09 \$'000	Group Quarter ended 31 Mar 08 \$'000
Weighted average number of shares on issue used in calculation of basic earning per share ('000)	1,297,804	1,282,452
Weighted average number of shares on issue used in calculation of diluted earning per share ('000)	1,297,804	1,282,452
Earnings per share		
(Losses)/earnings attributable to owners of the parent (\$'000)	(79,346)	(50,053)
- Basic earnings per share (cps)	(6.11)	(3.90)
- Diluted earnings per share (cps)	(6.11)	(3.90)

STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of Changes in Shareholders' Equity	Share Capital \$'000	Retained Earnings \$'000	Translation Reserve \$'000	Total \$'000	Minority Interest \$'000	Total Equity \$'000
Balance as at 1 January 2008	1,234,627	413,343	(461)	1,647,509	34,054	1,681,563
Changes in equity for the quarter ended 31 March 2008						
Dividends	-	(54,506)	-	(54,506)	-	(54,506)
Total comprehensive income for the period	-	(50,053)	(4,143)	(54,196)	(200)	(54,396)
Balance as at 31 March 2008	1,234,627	308,784	(4,604)	1,538,807	33,854	1,572,661
Balance as at 1 January 2009						
Balance as at 1 January 2009	1,246,616	(8,688)	1,271	1,239,199	30,247	1,269,446
Changes in equity for the quarter ended 31 March 2009						
Dividends	-	(38,934)	-	(38,934)	-	(38,934)
Total comprehensive income for the period	-	(79,346)	(460)	(79,806)	1,068	(78,738)
Balance as at 31 March 2009	1,246,616	(126,968)	811	1,120,459	31,315	1,151,774

Statement of Changes in Shareholders' Equity of MIIF	Share Capital \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance as at 1 January 2008	1,234,627	406,801	1,641,428
Changes in equity for the quarter ended 31 March 2008			
Dividends	-	(54,504)	(54,504)
Total comprehensive income for the year	-	(49,111)	(49,111)
Balance as at 31 March 2008	1,234,627	303,186	1,537,813
Balance as at 1 January 2009			
Balance as at 1 January 2009	1,246,616	15,862	1,262,478
Changes in equity for the quarter ended 31 March 2009			
Dividends	-	(38,934)	(38,934)
Total comprehensive income for the period	-	(81,146)	(81,146)
Balance as at 31 March 2009	1,246,616	(104,218)	1,142,398

CHANGES IN SHARE CAPITAL

There were no changes to share capital during the quarter ended 31 March 2009.

STATEMENT OF CASH FLOWS

	Group Quarter ended 31 Mar 09 \$'000	Group Quarter ended 31 Mar 08 \$'000
<i>Cash flows from operating activities</i>		
Loss after tax	(77,879)	(50,053)
Adjustments for non cash items:		-
Amortisation and depreciation	1,507	-
Unrealised foreign exchange (gains)/losses	(1,123)	(4,145)
Amortisation of transaction costs	25	-
Revaluation of financial assets at fair value through profit or loss	102,590	61,616
<u>Changes in working capital, net of the effects from acquisition of subsidiaries:</u>		
Decrease in trade and other receivables	9,470	19,037
Increase/(decrease) in trade and other payables	(17,040)	(20,070)
(Decrease)/ increase in provisions for other liabilities and charges	9	-
(Increase)/decrease in other assets	1,198	27
Net cash inflow from operating activities	18,757	6,412
<i>Cash flows from investing activities</i>		
Proceeds from sale of investments	-	154,241
Purchase of business assets net of cash acquired	-	(14,559)
Purchase of financial assets	(10,187)	-
Movement in restricted cash	-	23,415
Net cash Inflow/(outflow) from investing activities	(10,187)	163,097
<i>Cash flows from financing activities</i>		
Proceeds from borrowings	35,000	205,037
Repayment of borrowings	(5,000)	(356,107)
Dividends paid	(38,934)	-
Movement in restricted cash	(926)	-
Net cash outflow from financing activities	(9,860)	(151,070)
Net decrease in cash at bank	(1,290)	18,439
Cash at bank at beginning of period	31,221	31,601
Restricted cash	5,108	-
Effects of exchange rate changes on cash at bank	-	(20)
Cash at bank at end of period	35,039	50,020

RECONCILIATION OF NET INCOME ON AN ADJUSTED BASIS TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The income statement on page 8 of this report, and specifically the line titled 'Net income on an adjusted basis', has been prepared so as to present the earnings out of which MIIF dividends will be paid. The income statement on page 8 has not been prepared in accordance with applicable accounting standards. The consolidated statement of comprehensive income on page 12 has been prepared in accordance with International Financial Reporting Standards (IFRS). The table below reconciles net income on an adjusted basis for quarter ended 31 March 2009 presented in the income statement on page 8 of this report to the consolidated statement of comprehensive income (MIIF and its subsidiaries) for the quarter ended 31 March 2009 disclosed on page 12.

	Net Income ⁽¹⁾ on an adjusted basis year to date 31 Mar 09 \$'000	GAAP Adjustments ⁽²⁾ year to date 31 Mar 09 \$'000	Consolidation Adjustments ⁽³⁾ year to date 31 Mar 09 \$'000	MIIF Group ⁽⁴⁾ year to date 31 Mar 09 \$'000
Income				
Investment revenue	17,567	(17,567)	-	-
Power supply revenue	-	-	3,622	3,622
Interest revenue	20	-	14	34
Other income	-	-	2	2
Net foreign exchange gain	7,034	-	1,578	8,612
Net loss on financial assets at fair value through profit or loss	-	(86,944)	2,083	(84,861)
Total income/(loss)	24,621	(104,511)	7,299	(72,591)
Expenses				
Management fees	640	-	-	640
Directors' fees	109	-	27	136
Finance costs	109	-	1,105	1,214
Professional services	112	-	87	199
Other operating expenses	286	-	2,286	2,572
Total expenses	1,256	-	3,505	4,761
Profit/(loss) before income tax	23,365	(104,511)	3,794	(77,352)
Income tax expense	-	-	(527)	(527)
Profit/(loss) after income tax	23,365	(104,511)	3,267	(77,879)
Minority interest	-	-	(1,467)	(1,467)
Profit attributable to owners of the parent	23,365	(104,511)	1,800	(79,346)

- 1) This is the net income on an adjusted basis presented in the income statement on page 8.
- 2) These are adjustments that must be made to the net income on an adjusted basis to arrive at the net income on an unconsolidated basis, prepared in accordance with IFRS. For example, investment revenue is classified as 'net loss/gain on financial assets at fair value through profit and loss' under IFRS, therefore an adjustment was made to remove it from investment revenue.
- 3) This is a consolidation adjustment only. It reverses a portion of the net revaluation gains recognised in the unconsolidated income statement of MIIF that relates to assets which are consolidated in the consolidated income statement of MIIF as required under IFRS.
- 4) This is the consolidated statement of comprehensive income after tax of the MIIF Group disclosed on page 12.

MACQUARIE INTERNATIONAL
INFRASTRUCTURE FUND LIMITED

MANAGEMENT REVIEW:
FOR QUARTER ENDED 31 MARCH 2009

REVIEW OF REVENUE AND EXPENSES FOR THE QUARTER ENDED 31 MARCH 2009

Presented in the income statement disclosed on page 8

REVIEW OF REVENUE

MIF's total revenue of \$24.6 million for the quarter ended 31 March 2009 was 44.7% higher than pcp due to higher income from investments and higher gains on net foreign exchange in 2009.

The higher income from investments is due to a timing difference in the recognition of income from Arqiva. Higher gain on net foreign exchange arose primarily from the realisation of MIF's distribution hedges during the quarter.

A) TOTAL INCOME FROM INVESTMENTS

MIF's total income from investments is derived from the following sources:

- Distributions arising from the normal operating earnings of the investments. These distributions from the investments are recurring in nature.
- One-off distributions arising from capital management initiatives such as but not limited to refinancing or asset sales. These one-off distributions are non-recurring in nature.

The table below provides a detailed breakdown of the income from investments recognised by MIF during the following reporting periods:

Investment	Quarter ended 31 Mar 09 \$'000	Quarter ended 31 Mar 08 \$'000
Income from unlisted investments		
Arqiva	3,798	-
CAC	3,748	4,147
TBC	10,021	10,197
Total income from investments	17,567	14,344

MIF received income from unlisted investments of \$17.6 million from Arqiva (\$3.8 million), CAC (\$3.7 million) and TBC (\$10.0 million) in the quarter under review. Total income from investments was 22.5% higher compared to the pcp (2008: \$14.3 million).

There were no one-off distributions received during the period

Distribution Policies

The distribution policy of each of MIIF's businesses is to distribute all net cash flow generated from operations, reduced for debt servicing costs and maintenance capital expenditure, subject to legal requirements and prudent reserves.

The following table shows the typical historic frequency of distributions from each investment.

Investment Portfolio	Frequency per annum	Distribution declaration date
Arqiva	2	June, December
CAC	12	Monthly
CXP	1	June
HNE	1	September
MEIF	2	April, October
Miaoli Wind	1	July
TBC	2	June, December

Depending on local regulatory or legal requirements the time delay between the date distributions from the assets are generated and when they are declared and received by MIIF will vary from asset to asset. As a result MIIF may have to drawdown against its corporate debt facility to bridge the period between when distributions in respect of a previous accounting period are received and when MIIF pays its dividends in respect of that period. Debt drawn down for this purpose is repaid as soon as the cash is received.

B) OTHER REVENUE ITEMS

(i) Interest income

Interest income for the quarter ended was mainly derived from Singapore dollar cash deposits earning an annualised interest of approximately 0.5%.

(ii) Net foreign exchange gain

Net foreign exchange gain of \$7.0 million for the quarter ended 31 March 2009 was due to:

- \$7.4 million gain from realised gains on MIIF's distribution hedges.
- loss of \$0.4 million arising from non-investment balances which are denominated in a currency other than Singapore dollars. These balances include cash-on-hand, expenses payable, distribution and investment income receivable. As foreign exchange rates move, the value of these balances change accordingly.

C) REVIEW OF EXPENSES

	Quarter ended 31 Mar 09 \$'000	Quarter ended 31 Mar 08 \$'000
Expenses		
Management fees	640	3,096
Directors' fees	109	72
Finance costs	109	1,060
Other operating expenses	398	1,116
Total operating expenses	1,256	5,344

Total operating expenses of \$1.3 million for the quarter ended 31 March 2009 was 76.5% lower than the pcp.

An analysis of MIIF's expense items are as follows:

(i) Management fees

Management fees for the quarter ended 31 March 2009 were lower when compared to the pcp because of MIIF's lower average market capitalisation. This has resulted in a lower net investment value of MIIF, which is the basis used to calculate fees payable to MIIF's manager.

(ii) Directors' fees

Effective from 1 May 2008, each independent director is entitled to receive an annual director's fee of US\$72,500, an increase of US\$22,500 from the previous fee of US\$50,000. The increment was based on a market benchmarking process and was subsequently approved by MIIF's Remunerations Committee on 6 August 2008. As a consequence, total director's fees for the period increased from \$72,000 to \$109,000.

The MIIF Board of Directors comprises five members, of which four are independent of the Macquarie Group. The remaining MIIF Board, member who is an executive of the Macquarie Group, is not entitled to be paid a director's fee.

(iii) Finance costs

Finance costs of \$0.1 million for the quarter ended 31 March 2009 were lower than the pcp due to lower fund-level borrowings for the quarter. The outstanding balance on MIIF's borrowing facilities temporarily increased to \$50.0 million during the quarter due to short term working capital requirements.

(iv) Other operating expenses

Other operating expenses of \$0.4 million for the quarter ended 31 March 2009 was 64.3% lower than the pcp. The decrease was primarily due to lower professional fees incurred in the quarter. Other expense items that were reflected in this category relate to MIIF's normal day-to-day operations. These items include fees paid for share registrar services, SGX-ST listing and administration services, general legal services, audit services and professional fees incurred for financial and acquisition advice.

D) OTHER EXPENSE ITEMS

Loss on disposal of investments

Consistent with MIIF's focus on direct investments and efforts to rebalance its portfolio towards the Asian region, MIIF divested its interest in MAp in March 2008. The divestment resulted in a loss of \$2.5 million, although the investment in MAp generated an equity internal rate of return of 7.0% per annum for MIIF over its ownership period. MIIF made no divestments in the first quarter of 2009.

REVIEW OF NET ASSETS AND STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2009

As presented in the statements of financial position disclosed on page 11

E) ASSETS

(i) Trade and other receivables

Stand-alone current trade and other receivables decreased from \$13.5 million as at 31 December 2008 to \$3.5 million as at 31 March 2009. The reduction was primarily due to reduction in dividends receivable as the prior year's balance included accruals of \$8.7 million from Arqiva and TBC which have now been reversed. The balance as at 31 March 2009 comprised mainly of inter-company receivables from MIIF's subsidiaries.

Group current trade and other receivables decreased from \$10.6 million as at 31 December 2008 to \$1.1 million as at 31 March 2009 due to movements at Company level as explained above.

(ii) Current financial assets at fair value through profit or loss

Stand-alone current financial assets at fair value through profit or loss reflected the 2008 fair value of the foreign currency forward contracts that MIIF has entered into to hedge the forecast distributions that it expects to receive from its businesses. The remaining hedges are currently in a \$1.4 million liability position and are recorded as financial liabilities at fair value through profit and loss.

It is MIIF's policy to hedge distribution income for a period up to a maximum of 24 months in advance. However, depending on market conditions MIIF may choose to be selective on the proportion of distributions it does hedge.

(iii) Intangible assets

The balance as at 31 March 2009 was due to the acquisition and consolidation of Miaoli Wind in March 2008. Fixed assets held by Miaoli Wind were recognised as intangible assets under International Financial Reporting Interpretations Committee, IFRIC 12: Service Concession Arrangements. Intangible asset-management rights have been identified from the detailed assessment of assets and liabilities on acquisition of Miaoli Wind. This has been included in the Group Statement of Financial Position. Relevant amortisation for the quarter ended 31 March 2009 was recognised in the consolidated statement of comprehensive income.

(iv) Stand-alone non-current financial assets at fair value through profit or loss

Stand-alone non-current financial assets (excluding forward foreign currency contracts) at fair value through profit or loss decreased from \$1,245.4 million as at 31 December 2008 to \$1,167.2 million at 31 March 2009. This balance reflects the Directors' valuation of the fair value of MIIF's businesses as at 31 March 2009. The decrease in valuation of total investments was substantially due to:

- revaluation losses of \$112.6 million on MIIF's business to reflect the current economic climate and updated operating forecasts of MIIF's underlying businesses as well as revised assumptions on debt availability and financing requirements;
- net foreign exchange gains of \$41.8 million arising from translation of MIIF's foreign denominated assets to Singapore dollars;
- distribution received of \$17.6 million; and
- offset by a deferred equity investment in CAC of \$10.2 million following the acquisition of seven long term care homes acquired in January 2008.

The following table sets out a reconciliation of the value of MIIF's investments from 31 December 2008 to 31 March 2009.

	Company Balance at 31 Dec 08 \$'000	Additional investment / (divestment) \$'000	Distribution received from investments \$'000	Foreign exchange effects \$'000	Revaluation to 31 Mar 09 \$'000	Company Balance at 31 Mar 09 \$'000
Unlisted securities						
Arqiva	329,501	-	(3,798)	13,670	(57,470)	281,903
CAC	93,408	10,187	(3,748)	1,640	(13,646)	87,841
CXP	94,722	-	-	5,296	(9,737)	90,281
HNE	276,541	-	-	15,462	(2,057)	289,946
MEIF	246,447	-	-	1,394	(38,927)	208,914
Miaoli Wind	23,895	-	-	511	(275)	24,131
TBC	180,786	-	(10,021)	3,837	9,517	184,119
Others	72	-	-	-	-	72
Total investments	1,245,372	10,187	(17,567)	41,810	(112,595)	1,167,207

The \$78.2 million reduction in the fair value of MIIF's investments is mainly explained by the material movements in Arqiva (\$47.6 million) and MEIF (\$37.5 million) and to a lesser extent by CAC (\$5.6 million) and CXP (\$4.4 million). The reduction in the fair value of these businesses was partially offset by small FX driven increases in the remainder of the portfolio.

The fall in the fair value of Arqiva, MEIF and CAC reflects the increased level of uncertainty in current debt markets and in particular the ability to refinance certain borrowings at materially the same terms and levels. It is clear in the current environment that availability of debt is much reduced from those levels experienced before the current dislocation in credit markets with the result that businesses may need to use new equity or its own cash earnings to bring debt levels down to more achievable levels.

Current Developments

We note that on 31 March 2009, Canada Pension Plan Investment Board (CPPIB) made a formal cash offer to acquire all the stapled securities of Macquarie Communications Infrastructure Group (MCG). The MCG Independent Directors have recommended the offer of A\$2.50 per security to their shareholders. The offer represents a 134% premium to the three month volume weighted average price of MCG securities prior to the announcement. MCG is a 48% shareholder of Arqiva.

The MCG Independent Directors appointed Deloitte to prepare an independent expert report on the proposed bid. This report was published on 4 May 2009 and found the offer from CPPIB to be "fair", with a valuation of £823 million – £1,166 million for 100% of Arqiva which is equivalent to a discount of between 45% and 22% to MIIF's valuation of £1,487 million.

(v) Group non-current financial assets at fair value through profit or loss

Group non-current financial assets (excluding forward foreign currency contracts) held at their fair value have decreased from \$1,252.1 million as at 31 December 2008 to \$1,175.3 million as at 31 March 2009. This balance reflects the fair value of the Group's investments.

F) LIABILITIES

(i) Trade and other payables

Group current trade and other payables decreased by 61.9% from \$27.8 million as at 31 December 2008 to \$10.6 million as at 31 March 2009. It comprised both company level balances and trade and other payables of MIF's subsidiaries.

(ii) Borrowings

Stand-alone company borrowings increased from \$20.0 million as at 31 December 2008 to \$50.1 million as at 31 March 2009. This increase was primarily due to a temporary drawdown of \$30.0 million required to fund MIF's 2008 final dividend and an equity investment in CAC. As at 30 April 2009, the fund had retained cash of \$10.0 million and borrowings of \$35.0 million. These borrowings are expected to reduce further upon receipt of distributions (in respect of 2008 earnings) from CXP and HNE in the third quarter of 2009. Group short term borrowings include the element of Miaoli's debt of \$6.7 million, to be amortised in the current period.

Group long term borrowings have increased to \$87.2 million as at 31 March 2009 due to the consolidation of Miaoli Wind's long term borrowings which are non-recourse to MIF. Equipment, building, cash and shares of Miaoli Wind were pledged with the lender as collateral for the borrowings of \$93.9 million.

The following table illustrates the ageing of MIF's borrowings:

	Group as at 31 Mar 09 \$'000	Group as at 31 Dec 08 \$'000	Company as at 31 Mar 09 \$'000	Company as at 31 Dec 08 \$'000
Amount repayable in one year or less, or on demand	56,857	25,529	50,122	20,014
Amount repayable after one year	87,213	86,476	-	-
Total borrowings	144,070	112,005	50,122	20,014
Amount secured	93,948	91,991	-	-
Amount unsecured	50,122	20,014	50,122	20,014
Total borrowings	144,070	112,005	50,122	20,014

(iii) Financial liabilities at fair value through profit or loss

Stand-alone current financial liabilities at fair value through profit or loss represent the fair value of foreign currency forward contracts of \$1.4 million that MIIF has entered into to hedge forecast distributions.

The Group balance of financial liabilities held at their fair value as at 31 March 2009 includes the fair value of Miaoli Wind's forward contract and interest rate swap.

(iv) Minority interest

Minority interest represents the share of Group net asset value attributable to the minority shareholder of South China Highway Development (H.K.) Limited (a subsidiary holding MIIF's interest in HNE).

G) NET ASSET VALUE

MIIF uses the discounted cash flow (DCF) approach to value its investments. These valuations reflect the fair value for which infrastructure assets could be exchanged between knowledgeable, willing parties in an orderly arm's length transaction.

MIIF calculates the fair value of each of its assets at the end of each calendar quarter and adjusts the carrying value of each investment to its fair value. This process generates revaluation gains and losses, which are reported in the Group statement of comprehensive income as Net gains/losses on financial assets at fair value through profit or loss.

To ensure that the DCF analysis continues to provide a fair value estimate that can be considered reliable, the valuation model is periodically benchmarked to other sources such as recent market transactions to ensure that the discounted cash flow valuation is providing a reliable measure.

It should be noted that the preparation of the financial report in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including reasonable expectations of future events. Management believes the estimates used in preparation of the financial report are reasonable. Actual results in the future, however, may differ from those reported.

The valuation of MIIF's investments has been determined by reference to changes to the respective asset's discount rate, adopted by the MIIF board in accordance with its valuation framework. The discount rate applied to the cash flows of a particular asset comprises the risk free interest rate appropriate to the country in which the asset is located and a risk premium, reflecting the uncertainty associated with the cash flows.

(i) The investment valuation sensitivity to movements in the discount rate are disclosed in the table below:

Change in valuation due to movement in discount rate	Mar-09 1% higher \$'000	Mar-09 1% lower \$'000	Mar-08 1% higher \$'000	Mar-08 1% lower \$'000
Arqiva	(22,391)	24,786	(33,757)	37,652
CAC	(7,516)	9,204	(10,874)	12,937
CXP	(8,610)	9,936	(5,990)	6,398
HNE	(21,656)	24,259	(24,694)	27,912
Miaoli	(2,267)	2,622	-	-
TBC	(8,960)	9,553	(7,602)	8,141
Total	(71,400)	80,360	(82,917)	93,040

(ii) The investment valuation sensitivity to movements in the revenue forecasts are disclosed in the table below:

Change in valuation due to movement in Revenue	Mar-09 1% higher \$'000	Mar-09 1% lower \$'000	Mar-08 1% higher \$'000	Mar-08 1% lower \$'000
Arqiva	11,059	(11,059)	17,567	(17,897)
CAC	14,775	(14,779)	18,100	(17,710)
CXP	1,557	(1,561)	2,364	(2,364)
HNE	6,097	(6,099)	6,671	(6,671)
Miaoli	733	(736)	-	-
TBC	4,816	(4,821)	3,927	(3,913)
Total	39,037	(39,055)	48,629	(48,555)

The investment valuation sensitivity analyses above do not include MEIF as it is not a direct investment in an operating asset but investment in an unlisted fund.

The table below shows the net asset movements:

	Group As at 31 Mar 09	Group As at 31 Dec 08	Company As at 31 Mar 09	Company As at 31 Dec 08
Net Asset Value				
Total net asset value (\$'000)	1,151,774	1,269,446	1,142,398	1,262,478
Total number of ordinary shares on issue used in calculation of net asset value per share ('000)	1,297,804	1,297,804	1,297,804	1,297,804
Net asset value per ordinary share (\$ per share)	0.89	0.98	0.88	0.97

MIIF's stand-alone NAV decreased from \$1,262.5 million as at 31 December 2008 to \$1,142.4 million as at 31 March 2009, taking its NAV per share to \$0.88 for the period. Group net assets decreased from \$1,269.4 million as at 31 December 2008 to \$1,151.8 million as at 31 March 2009.

The movement in MIIF's NAV per share from 31 December 2008 to 31 March 2009 is outlined below.

	Company As at 31 Mar 09	Company As at 31 Dec 08	Company As at 30 Sept 08	Company As at 30 June 08	Company As at 31 Mar 08
Net asset value per ordinary share (\$ per share)	0.88	0.97	1.12	1.22	1.20

31 March 2008 to 30 June 2008:

NAV per share increased from \$1.20 to \$1.22 mainly due to the higher fair valuation of HNE.

30 June 2008 to 30 September 2008:

NAV per share reduced from \$1.22 to \$1.12 mainly due to the reduction in the fair value of Arqiva and MEIF as well as the provision for 2008 interim dividends.

30 September 2008 to 31 December 2008:

NAV per share reduced from \$1.12 to \$0.97 mainly due to reduction in the fair value of HNE, CXP and MEIF as well as foreign exchange effects arising from the conversion of Arqiva, MEIF and CAC to Singapore dollars.

31 December 2008 to 31 March 2009:

NAV per share reduced from \$0.97 to \$0.88 primarily due to the reduction in fair value of Arqiva and MEIF.

H) ENTERPRISE VALUE

MIIF's Enterprise Value (EV) is calculated by aggregating:

- Proportionate operating businesses' net debt, based on MIIF's proportionate beneficial interest as 31 March 2009
- MIIF's net debt outstanding as at 31 March 2009; and
- MIIF businesses' equity attributable to MIIF's Shareholders as at 31 March 2009.

	As at 31 March 09 \$'000	As at 31 December 08 \$'000
Proportionate operating businesses' net debt	2,164,596	2,105,291
MIIF net debt/(cash)	25,581	7,828
MIIF businesses' equity attributable to MIIF shareholders	1,167,136	1,245,300
Enterprise Value (EV)	3,357,313	3,358,419
Net debt as a percentage (%) of EV		
Total operating businesses' net debt as a % of EV	64%	63%
Total MIIF net debt as a % of EV	65%	63%

Net debt is reported at both the operating business level and at MIIF level. Operating business' net debt is calculated at each of the relevant operating businesses by subtracting total cash-on-hand from total debt as at 31 March 2009.

The operating businesses' equity value attributable to MIIF Shareholders is calculated by aggregating MIIF's interest in the fair values of the individual businesses.

MIIF's total gearing as a percentage of EV is 65% as at 31 March 2009. Total gearing is calculated by dividing the sum of MIIF's proportionate beneficial interest in the operating businesses' net debt and MIIF's net debt by enterprise value.

I) CASH FLOW ANALYSIS

Included in cash and cash equivalents was an amount of \$5.1 million which is restricted for use as the cash deposit has been pledged by Miaoli Wind to the lender as collateral for the loan facility of Miaoli Wind.

Stand-alone company level cash balance increased to \$24.5 million for quarter ended 31 March 2009 (2008: \$12.2 million).

J) INTERESTED PERSON TRANSACTIONS DISCLOSURE

(i) Directors

The following persons were directors of MIIF during the quarter to 31 March 2009:

	Date of Appointment	Date of Resignation
John Stuart Hugh Roberts	7 February 2005	Not applicable
Heng Chiang Meng	7 February 2005	Not applicable
Robert Andrew Mulderig	7 February 2005	Not applicable
Michael David Hamer	7 February 2005	Not applicable
Lee Suet Fern	20 December 2007	Not applicable

(ii) Directors' remuneration

John Roberts is an executive director of Macquarie Group Limited (MGL), the ultimate parent entity of Macquarie Infrastructure Management (Asia) Pty Limited (the Manager), and is not entitled to any remuneration from MIIF, other than reimbursement of expenses incurred on behalf of MIIF. With effect from 1 May 2008, Heng Chiang Meng, Robert Mulderig, Michael Hamer and Lee Suet Fern are entitled to a total remuneration of US\$72,500 per annum each.

(iii) The Manager

The Manager was appointed by MIIF as the sole and exclusive manager pursuant to a Management Agreement dated 19 May 2005.

The following transactions occurred between MIIF and the Manager during the quarter:

	Group Quarter ended 31 Mar 09 \$'000	Group Quarter ended 31 Mar 08 \$'000	Company Quarter ended 31 Mar 09 \$'000	Company Quarter ended 31 Mar 08 \$'000
Transactions				
Base management fees	640	3,096	640	3,194
Dividends paid	3,203	-	3,203	-

The following balances remained outstanding between MIIF and the Manager as at 31 March 2009:

	Group As at 31 Mar 09 \$'000	Group As at 31 Dec 08 \$'000	Company As at 31 Mar 09 \$'000	Company As at 31 Dec 08 \$'000
Balances				
Accrued base management fees	640	786	640	786

The Manager holds 106,776,610 ordinary shares in MIIF.

For the quarter ended 31 March 2009, the MIIF Accumulation Index² was lower than the agreed benchmark annual return of 8%. Consequently, no performance fee was payable to the Manager and a performance fee deficit³ will be carried forward to the next quarter.

MIIF retained the services of qualified independent advisors, who have confirmed that the performance fee deficit has been determined in accordance with the Management Agreement between the Manager and MIIF dated 19 May 2005, which was disclosed in the MIIF Prospectus.

(iv) Macquarie Group (Macquarie)

Macquarie Group Limited (MGL) and in particular Macquarie Capital Advisers Limited (MacCap Adv) are important sources of acquisition opportunities and financial and acquisition advice. There were no fees paid to Macquarie during the quarter in respect of acquisition related services.

K) FOREIGN EXCHANGE TRANSACTIONS

MIIF utilises the services provided by MGL's foreign exchange department from time to time to enter into foreign exchange forward contracts based on arms length competitive market rates. The listing of foreign currency transactions entered into for the current quarter and the relevant related party charges incurred were provided to the independent members of the MIIF Board for review.

² The performance of the MIIF Accumulation Index is measured as the average index value over the last 15 SGX-ST trading days of each three month period compared to the preceding three month period.

³ Where the MIIF Accumulation Index has underperformed the benchmark in prior periods, this underperformance is carried forward as a deficit and taken into account in calculating the performance fee payable. The deficit carried forward in relation to this calculation is approximately \$1,061 million.

L) ADDITIONAL INFORMATION

(i) Disclosure, audit and review of financial statements

Pursuant to Rule 705(1) of the SGX-ST Listing Manual, the financial statements for the quarter ended 31 March 2009 have been disclosed within 45 days after the end of the relevant financial period.

(ii) Review by Independent Auditor

The financial statements for the quarter ended 31 March 2009 have not been audited or reviewed by the Group's auditor, PricewaterhouseCoopers LLP.

(iii) Basis of preparation

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current period as that of preceding accounting periods. There are no substantial changes to the Group's accounting policies.

The financial statements are consistent with those set out in the 2008 audited financial statements which have been prepared in accordance with IFRS. There have been no changes to the accounting policies described in the 2008 audited accounts except for the adoption of certain revised International Financial Reporting Standards (IFRS) and Interpretations to IFRS (INT FRS) that became mandatory from 1 January 2009.

The adoption of these revised standards did not have a material impact on the results of the Group. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(iv) Functional and presentation currency

All figures, unless otherwise stated are presented in Singapore dollars, which is MIIF's functional and presentation currency.

(v) Rounding of amounts in the financial statements

Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

(vi) Effects from timing of distributions

MIIF's revenue is driven by the frequency of distributions from its underlying investments. The frequency of distributions ranges from monthly to annually depending on the underlying asset.

(vii) Group Accounting - subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which control is acquired or otherwise obtained by the Group. They are deconsolidated from the date that control ceases.

The following entities were subsidiaries or joint venture entities as at 31 March 2009:

Name of entity	Type	Principal activities	Country of incorporation	Percentage of effective equity held by the Group	Reporting date
Macquarie Renewables Limited	Subsidiary	Holding Company	Bermuda	100%	31 December
Macquarie International Infrastructure Holding Limited	Subsidiary	Holding Company	Bermuda	100%	31 December
South China Highway Development (H.K.) Limited	Subsidiary	Investment in toll road	Hong Kong	90%	31 December
Macquarie International China Holdings Limited	Subsidiary	Holding Company	Bermuda	100%	31 December
Macquarie International Infrastructure Netherlands2 Cooperatief U.A	Subsidiary	Holding Company	Netherlands	100%	31 December
Macquarie International Infrastructure Netherlands B.V	Subsidiary	Holding Company	Netherlands	100%	31 December
Singapore Changshu Development Company	Joint Venture	Holding Company	Singapore	40%	31 December
Leisureworld ¹	Joint Venture	Aged care	Canada	55%	31 December
Macquarie International Infrastructure Taiwan Limited ²	Subsidiary	Holding Company	Bermuda	100%	31 December
Macquarie International Taiwan Co., Ltd ²	Subsidiary	Holding Company	Taiwan	100%	31 December
Mioli Wind Co., Ltd ²	Subsidiary	Operation of wind farm	Taiwan	100%	31 December

1 Acquired by way of conditional TRS.

2 The above subsidiaries have been incorporated or acquired during the financial year ended 31 December 2008.

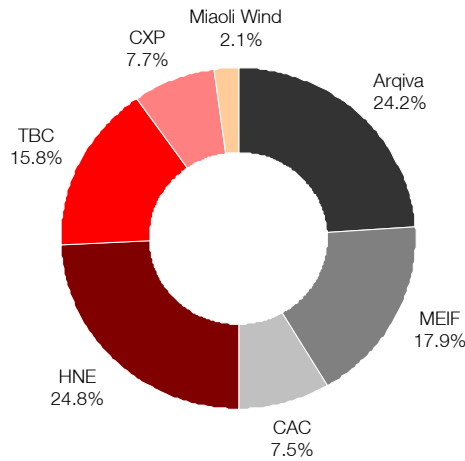
M) EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period.

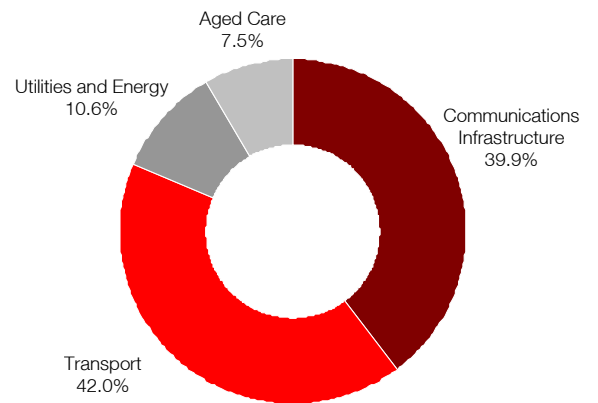
INVESTMENT PORTFOLIO

The following diagrams show the contributions that various investments make to MIIF's overall portfolio based on 31 March 2009 fair valuation of each business:

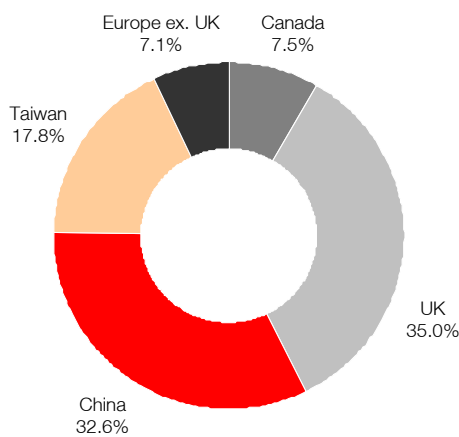
Portfolio Composition by Investment



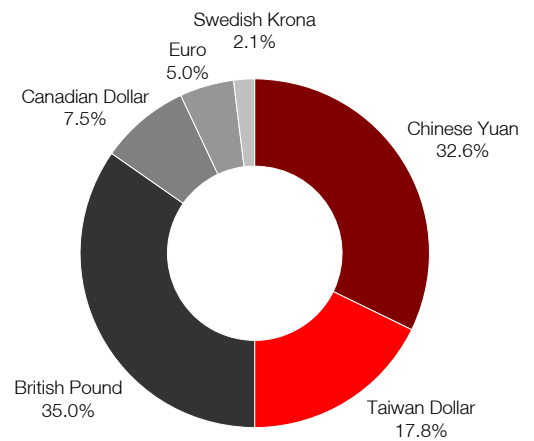
Portfolio Composition by Industry



Portfolio Composition by Geography



Portfolio Composition by Currency



INVESTMENT PORTFOLIO DISCUSSION

Arqiva

Date of initial acquisition	27 May 2005
Cost of acquisition	S\$434.8 million ⁴
Valuation ⁵	S\$281.9 million
Distributions since Acquisition	S\$111.0 million
MIF ownership	8.7% interest
% of MIF portfolio ⁶	24.2%

Arqiva is a provider of terrestrial and satellite broadcasting transmission, wireless communications and radio services predominantly in the United Kingdom (UK). Arqiva provides transmission services to TV and radio broadcasters, site leasing to mobile phone and other wireless communication companies, and radio services to UK emergency services and other government and commercial organisations. Arqiva owns and operates 1,454 towers for radio and television broadcasts, 8,000 active sites for mobile communications and two of the six digital terrestrial TV multiplexes in the UK. More than 99% of the UK population is served by Arqiva's owned and operated communications and broadcast infrastructure.

Arqiva and NGW integration update

Full integration of Arqiva and National Grid Wireless (NGW) is progressing well following approval from the UK Competition Commission. The integration of Arqiva and NGW is expected to create a strong platform to access growth opportunities in 2010 and beyond.

Digital Switch Over process (DSO)

Arqiva has been working with the UK Government and Digital UK since the late 1990s on what is the most ambitious broadcast engineering project of its kind undertaken in the UK. DSO involves the replacement of 5,000 analogue and 500 low-power digital transmitter systems, with 4,000 new high power digital transmitter systems at 1,154 sites. This substantial project is due to be completed by 2012.

In November 2008 the first stage of DSO was successfully completed in the Border region of the United Kingdom. The Border region is the first of 14 regions to cease analogue television and be switched over to high-power digital television.

The merger of Arqiva and NGW will ensure the success of the DSO project through improved efficiency and streamlined engineering and construction workflows. The improved efficiency of the DSO program is expected to bring significant cost synergy and capital expenditure savings, in which the various broadcasting customers will participate.

⁴ Acquisition cost comprises of initial acquisition of S\$175.7 million on 27 May 2005 and rights issue of S\$259.1 million for the add-on acquisition of NGW on 4 April 2007

⁵ Based on 31 March 2009 valuations. Numbers are subject to rounding

Business Commentary (12 months to December 2008)

Arqiva results are only published semi-annually and operational statistics for this period have not been updated.

Key operational statistics^{6,7} can be found in the tables below.

(£'million)	12 months to Dec 2008	12 months to Dec 2007	Variance
Revenue	786.6	647.8	21.4%
Operating Expenses	(495.7)	(397.5)	24.7%
EBITDA	290.9	250.3	16.2%
EBITDA Margin	37.0%	38.6%	

Financial Performance

- Revenue was 21.4% higher compared to the pcp due to the acquisition of NGW and an increase in satellite media revenue following the acquisition of BT Satellite Broadcast Services (BT SBS) on 31 March 2007.
- Operating expenses were 24.7% higher compared to the pcp as a result of the costs related to the inclusion of the BT SBS and NGW results for the full-year.
- EBITDA margin has fallen from 38.6% to 37.0% due to the inclusion of the BT SBS business which includes lower margin products such as satellite capacity resale.

Operations (3 months to 31 March 2009)

- Mobile Broadband Network Limited (MBNL), the joint venture between T-Mobile UK and 3 UK formed to create and manage what will be the UK's most extensive 3G network, has selected Arqiva as its strategic partner for the provision of cell sites. Under the terms of the 10-year agreement, Arqiva will provide MBNL with 5,100 sites and Arqiva will have exclusive marketing rights for site sharing services on a further 2,500 sites.

Outlook 2009

- The key areas of focus for Arqiva in 2009 are the continued integration of Arqiva and NGW and the execution of the DSO project.
- Operationally, Arqiva's businesses are anticipated to perform solidly with the satellite media business anticipated to continue the strong growth delivered in 2008.
- The economic down turn will not significantly impact revenue in the coming year due to the long term nature of Arqiva's contracted revenue. A large portion of budgeted 2009 revenue has been contracted.
- On 31 March 2009, Canada Pension Plan Investment Board (CPPIB) made a formal cash offer to acquire all the stapled securities of Macquarie Communications Infrastructure Group (MCG). MCG has a 48% economic interest in Arqiva. MIIF's 8.7% interest in Arqiva is unaffected by CPPIB's offer.

⁶ Figures shown are results published on 31 December 2008. Arqiva results are only published semi-annually and operational statistics for this period have not been updated

⁷ Includes intercompany revenue and expenses between Arqiva and NGW

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- In the event that CPPIB's cash offer receives regulatory and MCG shareholder approval, this will result in a change in the major shareholder of Arqiva. As the major shareholder, CPPIB will have the ability to influence changes to Arqiva's business direction and distribution policies.
 - If debt markets remain challenging it may be necessary for borrowing levels at Arqiva to be reduced. As a consequence, the Board and management of Arqiva may decide to repay certain debt facilities ahead of maturity. Should this action be taken, MIIF's investment income from Arqiva would be reduced with a commensurate effect on MIIF's ability to sustain the prevailing level of distributions to shareholders.
 - The resultant increased level of uncertainty has been the major driver behind the reduction in the fair value of Arqiva in MIIF's books to \$281.9 million, down from a December valuation of \$329.5 million (Refer to page 25 for more details).

Canadian Aged Care (CAC)

Date of initial acquisition	24 Nov 2005
Cost of acquisition	S\$164.9 million
Valuation ⁶	S\$87.8 million ⁸
Distributions since Acquisition	S\$60.3 million
MIIF ownership	55% interest
% of MIIF portfolio ⁶	7.5%

CAC is a portfolio of long-term care (LTC) facilities in Ontario, Canada. Operating since 1975, CAC provides 4,396 beds across 26 LTC facilities, one retirement home and one independent living facility.

CAC is currently the third largest operator of LTC homes in Ontario. LTC homes are a vital part of a community's social infrastructure and share features that characterise other high-quality infrastructure businesses, including relatively stable revenue, significant barriers to entry and low demand variability.

A LTC home that provides basic accommodation for at least 40% of residents may offer the remaining residents preferred accommodation in semi-private or private rooms. The LTC home operator retains the premiums collected for such preferred accommodation, which typically increases revenue and enhances profitability.

Key operational statistics can be found in the table below.

Average occupancy (%)	3 mths to Mar 2009	3 mths to Mar 2008	Variance
LTC Private Occupancy	94.4%	91.9%	2.5%
LTC Total Occupancy	98.1%	98.1%	-%

(C\$'million)	3 mths to Mar 2009	3 mths to Mar 2008	Variance
Revenue	64.3	55.8	15.2%
Operating Expenses	(58.0)	(49.6)	16.9%
EBITDA	6.3	6.2	1.6%
EBITDA Margin	9.8%	11.1%	

⁸ The decrease in valuation reflects the new Long-Term Care Homes Act 2006 (the Act) and subsequent revision in CAC's debt assumptions. Prior to the Act, which received Royal Assent in June 2007, long-term care licences in the Province of Ontario had one-year terms subject to automatic renewal provided that compliance requirements were met. The Act fixed term limits on LTC licences, ranging from 15 to 25 years depending on a home's structural classification. The S\$ appreciation against the C\$ since acquisition has also contributed to the decrease in valuation.

BUSINESS COMMENTARY (3 MONTHS TO MARCH 2009)

Financial Performance

- EBITDA was 1.6% higher compared to the pcp due to higher revenues. For the quarter ended 31 March 2009, CAC generated revenue of C\$64.3 million compared with C\$55.8 million in the pcp. This C\$8.5 million increase was primarily driven by a full quarter of contribution from the Counsel Corporation homes, increases in private accommodation and increased government funding rates which were higher than in the same period last year. Operating expenses for the quarter were also higher, reflecting a full quarter of results from Counsel Corporation homes, which included one off refurbishment costs as well as general increases in staff and operating costs at a number of homes across the portfolio.
- EBITDA margin was negatively impacted by the acquisition of the Class C homes, which are lower margin businesses compared to the existing Class A homes. The EBITDA margin is expected to improve as these homes are redeveloped into Class A homes.

Operations

- Occupancy levels have remained high for the quarter ended March 2009, with average total occupancy of 98.1% and private accommodation occupancy of 94.4% of the allowable total. This compares to 98.1% and 91.9% respectively for the pcp. Maximum funding is achieved an occupancy levels of 97% and above.

Outlook

- CAC anticipates continued high levels of occupancy and further increases in its provision of private accommodation.
- In July 2007 the Ministry of Health announced a 10-year capital funding plan to provide for the redevelopment of 35,000 Class B and Class C LTC beds so that they may attain Class A standards⁹. The Ministry of Health is currently calling for applications from eligible LTC operators to participate in the first of five rounds of redevelopment. Applications are due by 31 July 2009. This program will enable LTC operators to improve the overall quality and comfort of accommodation available to residents.

⁹ In April 1998 the Ministry of Health and Long-Term Care classified all facilities into 4 categories of structural compliance; Class A facilities met 1998 design standards; Class B facilities well exceed 1972 standards, but do not meet 1998 standards; Class C facilities meet the 1972 standards; and Class D facilities did not meet 1972 standards.

Changshu Xinghua Port (CXP)

Date of initial acquisition	2 Dec 2005
Cost of acquisition	S\$112.3 million
Valuation ⁶	S\$90.3million
Distributions since Acquisition	S\$12.9 million
MIF ownership	38% interest
% of MIF portfolio ⁶	7.7%

CXP is a multipurpose cargo port centrally located within the Yangtze River Delta industrial zone, a high-growth industrial region which includes the cities of Suzhou, Wuxi and Changshu. CXP's hinterland is one of China's fastest growing industrial regions.

The port jetty of 1,700 metres has 8 berths, with 2 gantry container cranes and 10 multiuse portal cranes. There are presently 14 warehouses totalling 107,300 m², and additional yard storage totalling 608,147 m².

Water depth at the deepest point is 13.3 m, permitting vessels of up to 70,000 DWT to load/unload at the port.

CXP's cargo base consists of bulk cargo comprising mainly steel and forestry related products and containers. CXP will continue to build on its diversified cargo base while maintaining its position as a regional hub for steel and forestry products.

Key operational statistics can be found in the tables below.

Volume	3 mths to Mar 2009	3 mths to Mar 2008	Variance
Steel (tonnes)	482,470	572,602	(15.7%)
Non-steel (tonnes)	123,091	203,572	(39.5%)
Forestry Products (tonnes)	462,486	513,820	(10.0%)
Total (tonnes)	1,068,047	1,289,994	(17.2%)
Container (TEU ¹⁰)	10,957	21,919	(50.0%)

(RMB'million)	3 mths to Mar 2009	3 mths to Mar 2008	Variance
Revenue	42.4	49.9	(15.0%)
Operating Expenses	(18.4)	(21.5)	(14.4%)
EBITDA	24.0	28.4	(15.5%)
EBITDA Margin	56.6%	56.9%	

¹⁰ Twenty-foot equivalent unit

BUSINESS COMMENTARY (3 MONTHS TO MARCH 2009)

Financial Performance

- Revenue was 15.0% lower compared to the pcp as the slowdown in the global economy adversely impacted business activity and hence volumes across all businesses.
- Operating expenses were 14.4% lower compared to the pcp primarily due to reduced sub-contractor costs (which are volume related) and other office expenses such as consultancy fees.
- EBITDA was 15.5% lower compared to the pcp as the decrease in operating expenses was more than offset by the decrease in revenue over the quarter.

Operations

- The economic slowdown impacted container volumes most severely during the quarter with a 50.0% year on year reduction. Steel and forestry product volumes were also affected but not to the same degree with reductions of 15.7% and 10.0% respectively.

Outlook

- Pressure on volumes continued into January 2009 with 252,251 tonnes & 3,327 TEUs handled but we have seen improvements in February and March with a two month average of 407,898 tonnes & 3,815 TEUs handled.

Hua Nan Expressway (HNE)

Date of initial acquisition	19 Nov 2007
Cost of acquisition ¹²	\$295.7 million
Valuation ⁶	\$289.9 million
Distributions since Acquisition	S\$27.6 million
MIF ownership	81% interest
% of MIF portfolio ⁶	24.8%

Hua Nan Expressway Phase I and II (HNE) is a 31-kilometre dual-carriage urban toll road in the city of Guangzhou, the capital of Guangdong province in China. It is the main artery for north-south traffic in Guangzhou, enabling easy access to South China and is intersected by eight expressways and urban arteries, ensuring excellent connectivity.

HNE has an established traffic history since 1999, with the rights to operate and collect tolls¹¹ up to 2026. HNE was the first toll road in Guangdong province to implement electronic tolling. It has a routine maintenance program in place and significant excess capacity to accommodate traffic growth. As an urban toll road in Guangzhou, HNE benefits from being exposed to the long term traffic growth potential of Guangdong province.

Key operational statistics can be found in the tables below.

Total volume of vehicles types ('000)	3 mths to Mar 2009	3 mths to Mar 2008	Variance
Passenger vehicles	7,338.0	7,177.3	2.2%
Minibus / Light Truck	523.6	641.2	(18.3%)
Medium Bus / Truck	1,395.6	1,611.0	(13.4%)
Large Bus / Large Truck	114.2	137.1	(16.7%)
Heavy Duty Truck / Trailer	266.8	307.0	(13.1%)
Total Vehicles	9,638.2	9,873.6	(2.4%)

(RMB'million)	3 mths to Mar 2009	3 mths to Mar 2008	Variance
Revenue	104.2	109.3	(4.7%)
Operating Expenses	(19.6)	(19.7)	(0.5%)
EBITDA	84.6	89.6	(5.6%)
EBITDA Margin	81.2%	82.0%	

¹¹ Toll rates on HNE are set by the Guangdong provincial government

¹² Originally announced acquisition price of \$329.5m included \$295.7m invested at acquisition, and \$33.8m to be drawn at a later date contingent upon certain events. This contingency is now no longer required and will not be drawn.

BUSINESS COMMENTARY (3 MONTHS TO MARCH 2009)

Financial Performance

- Revenue was 4.7% lower compared to pcp. This was due to the negative impact of the economic slowdown in China which has resulted in reduced manufacturing output and hence many factory closures in Guangdong province.
- Costs are relatively flat year on year with general inflationary increases being offset by lower routine maintenance during the period.

Operations

- The total volume of passenger vehicles for the period increased by 2.2% year on year and reflects the general increase in car ownership in China.
- The global economic slowdown has severely impacted the level of industrial activity in the Guangdong Province and has led to a 14.7% drop in the number of commercial vehicles utilising the expressway when compared to the pcp.
- The opening of the Phase III section of HNE¹³ has been delayed as a result of complaints by nearby residents on potential noise pollution. Phase III management are working on measures to rectify these complaints and expect Phase III to commence operations in 2Q09.

Outlook

- HNE's traffic volumes in the first quarter of 2009 reflected a decline in commercial traffic as industrial activity in the Guangdong Province slowed. However, HNE is well placed to benefit from a recovery in the economy. This, in combination with the opening of the Phase III section of HNE in the first half of 2009, is anticipated to have a positive impact on HNE's overall traffic result.
- Following a review of HNE's tolling operations, HNE management has begun implementing a new staffing system which will require fewer toll collectors. These staff will be transferred to Phase III in 2Q09 and will result in future operating costs being reduced.
- HNE is currently at an advanced stage of negotiations with China Construction Bank for improved terms on its existing loan. This is expected to be completed in the first half of 2009 and result in lower borrowing costs thereby increasing the cash flows available for distributions.

¹³ The Phase III section of Hua Nan Expressway is a complementary road to HNE and is not owned by MIIF

Macquarie European Infrastructure Fund (MEIF)

Date of initial acquisition	14 July 2005
Cost of acquisition	S\$194.8 million
Valuation ⁶	S\$208.9 million
Distributions since Acquisition	S\$55.0 million
MIIF ownership	6.3% interest
% of MIIF portfolio ⁶	17.9%

Macquarie European Infrastructure Fund (MEIF) is a limited partnership that was established to make equity and equity-like investments in a diversified portfolio of infrastructure and related assets in developed European OECD countries. Established in April 2004, MEIF is targeted at pension funds and other institutional investors seeking long-term stable returns matching their long-dated liability profiles. MEIF completed its fundraising in June 2005, with total investor commitments of €1.5 billion. MEIF has fully drawn and invested its capital into 10 substantial European infrastructure businesses.

KEY HIGHLIGHTS FOR THE PERIOD

Key highlights from MEIF's operating businesses for the 3 months to 31 March 2009 include:

Thames Water

- Thames Water's customers will continue to benefit from the lowest bills in the country, after the company announced its average household charges for 2009/2010. Thames Water customers will see an average price increase of 2.4% which has been agreed with the regulator Ofwat.

APRR

- Traffic for the quarter was down by 6.8% compared to the same period in 2008, reflecting the difficult economic situation. As a result, toll revenues decreased by 6.2% compared to the first quarter of 2008.
- A 1.89% tariff increase came into force on 1 April 2009.

MEIF Renewables

- Generation for the 3 months to 31 March 2009 was 5.3% lower compared to the same period in 2008 due to poor biomass generation and low wind across the European wind asset portfolio. Revenues held steady however, due to acquisitions and expansions during the year.

Wales & West Utilities

- EBITDA for the quarter was comparable to the same period in 2008.
- Operationally, Wales & West Utilities continues to meet its key performance and regulatory standards, including a commendable performance in health and safety.

Bristol Airport

- Traffic for the quarter is 21.5% lower compared to the same period in 2008, driven by:
 - easyJet's planned Winter capacity cuts
 - the bankruptcy of XL Airways; and
 - planned capacity reduction by Thomson Group
- 2009 has got off to a challenging start and the timing of recovery is difficult to predict. However, with summer capacity currently comparable to the previous year, some relief is expected as the year progresses.

Wightlink

- EBITDA for the quarter was lower compared to the same period in 2008 due to declining traffic and retail revenues.
- The economic slowdown in the UK is expected to affect passenger, car and freight numbers in 2009. This decline is anticipated to be offset somewhat by improved service offerings and new marketing initiatives introduced in 2009.

Brussels Airport

- Traffic for the quarter is 16.2% lower compared to the same period in 2008, driven by reductions in:
 - Charter traffic to destinations such as Morocco and Egypt
 - Capacity on short-haul routes by Brussels Airline
- As witnessed at Bristol Airport, with summer capacity currently comparable to the previous year, some relief is expected as the year progresses.

Arianda Express

- Revenue for the quarter was slightly lower compared to the same period in 2008 due to lower Arianda Express passenger numbers, which had been impacted by lower airport traffic.

OUTLOOK

- MEIF will continue to maintain a conservative approach to capital management and Macquarie is focused on ensuring the businesses are appropriately placed for the current economic environment and debt market conditions.
- As a consequence, the Boards and management teams of a number of MEIF's businesses such as Thames Water, Wightlink and Wales & West Utilities have decided that it would be prudent to de-leverage these businesses by repaying certain debt facilities ahead of maturity. As a result MEIF's receipts from these businesses will be reduced, thereby diminishing its ability to pay distributions to MIIF.
- The reduction in distribution profile and impact of the economic slowdown on the patronage assets in particular has led to a reduction in the fair value of MEIF in MIIF's books to \$208.9 million, down from a December valuation of \$246.4 million (Refer to page 25 for more details).

Miaoli Wind (formerly known as infraVest Wind)

Date of initial acquisition	20 March 2008
Cost of acquisition	S\$29.1 million
Valuation ⁶	S\$24.1 million
Distributions since Acquisition	S\$0.4 million
MIIF ownership	100% interest
% of MIIF portfolio ⁶	2.1%

Miaoli Wind owns and operates 25 wind turbines, with a combined capacity of 49.8MW, at two sites in Miaoli County, Taiwan. All power generated is sold to Taiwan Power Company, the state-owned power utility in Taiwan, under a long term power purchase agreement. The tariff under this agreement is fixed at NT\$2 per kWh.

Miaoli Wind benefits from strong government support for renewable energy in Taiwan and the long term power purchase arrangement with Taiwan Power Company underpins the stable cash flows expected to be derived from this investment.

Key operational statistics can be found in the table below.

(GWh)	3 mths to Mar 2009	3 mths to Mar 2008	Variance
Total Energy Production	44.5	52.3	(14.9%)

(NT\$'million)	3 mths to Mar 2009	3 mths to Mar 2008 ¹⁴	Variance
Revenue	80.8	106.7	(24.3%)
Operating Expenses	(14.4)	(18.7)	(23.0%)
EBITDA	66.4	88.0	(24.5%)
EBITDA Margin	82.2%	82.5%	

BUSINESS COMMENTARY (3 MONTHS TO MARCH 2009)

Financial Performance

- Revenue for the quarter was 24.3% lower compared to pcp. This resulted from lower power generation during the month of February 2009 due to low wind performance.
- As a result, EBITDA for the period was 24.5% lower compared to the pcp despite lower operating expenses partially offsetting the decline.

Operations

- Total energy production was 14.9% lower compared to pcp as average wind speeds during this period were lower compared to pcp. This was especially evident in the month of February 2009.

Outlook

In the event that wind performance for the region restores to historical averages, this will result in higher revenue and EBITDA margin.

¹⁴ Includes the pre-acquisition results of Miaoli Wind. MIIF acquired Miaoli Wind on the 30 March 2008. The 2008 results presented above are for ease of comparison and is for illustrative purposes only.

Taiwan Broadband Communications (TBC)

Date of initial acquisition	16 July 2007
Cost of acquisition ¹⁵	S\$161.8 million
Valuation ⁶	S\$184.1 million
Distributions since Acquisition	S\$135.1 million
MIF ownership	20% interest
% of MIF portfolio ⁶	15.8%

TBC is one of the three leading cable television operators in Taiwan, which is the fourth largest cable television market by revenue in Asia. Established in 1999, TBC owns an interest in five cable television networks located in adjacent service areas in northern and central Taiwan.

TBC is the sole licensee and provider of cable television services in its five operating regions. TBC is a key provider of integrated entertainment and communications services to more than one million homes serviced by its cable network.

TBC's core business is the provision of cable television services. It also offers value-added services such as broadband internet access and cable telephony services, as well as premium digital television programming, thereby providing subscribers with improved picture and sound quality and extra channels.

Key operational statistics can be found in the tables below.

Ending Subscribers	Mar 2009	Mar 2008	Variance
Basic Cable TV	716,409	697,876	2.7%
Premium Digital ¹⁶	10,957	14,098	(22.3%)
Premium Penetration rate ¹⁷	1.5%	2.0%	
Broadband	131,678	116,479	13.0%
Broadband Penetration rate ¹⁶	18.4%	16.7%	

(NT\$'million)	3 mths to Mar 2009	3 mths to Mar 2008	Variance
Revenue	1,643.2	1,570.0	4.7%
Operating Expenses	(640.5)	(621.4)	3.1%
EBITDA	1,002.7	948.6	5.7%
EBITDA Margin	61.0%	60.4%	

¹⁵ Post a return of capital from TBC of US\$68.3 million (S\$104.1 million) which was distributed to MIF as a result of the refinancing of TBC's debt facilities shortly after MIF's acquisition of its interest in TBC

¹⁶ A new channel package commenced in Jan 2008 and thus not directly comparable

¹⁷ Penetration rate is calculated as a percentage of Basic subscribers

BUSINESS COMMENTARY (3 MONTHS TO MARCH 2009)

Financial Performance

- EBITDA was 5.7% higher compared to the pcp. This was primarily due to higher revenues following increases in overall basic cable television and broadband subscribers. TBC generated revenues of NT\$1,643.2 million, up NT\$73.2 million on the pcp.
- The overall EBITDA margin also improved by 0.6% to 61.0% as a result of increased subscription of high-end broadband products and bundled packages.

Operations

- TBC has performed well in the March 2009 quarter despite the slowdown in Taiwan's economy, with basic cable subscriber numbers reaching 716,409 and broadband subscribers increasing by 13.0% to 131,678.
- On 18 March 2009, TBC held its official digital TV re-launch event in Taichung City. The new digital TV product is expected to be a key aspect of TBC's next growth phase. Digital subscriber take up is expected to increase, with the new digital product providing customers with better content, greater features and advanced applications.

Outlook

- TBC's basic cable television business is relatively resilient to changes in Taiwanese economic conditions. Additionally, the enhanced program content and upgrade of the digital platform is anticipated to grow the demand for TBC's digital products.

COMPETITIVE INDUSTRY CONDITIONS

OUTLOOK

Throughout the 2008 financial year, operating conditions have been extremely difficult. Further deterioration in credit markets and global economic activity is continuing in 2009. The businesses MIIF has invested in continue to perform soundly and do not face any major contractual refinancing until 2014. However, the availability of debt in the current markets has been reduced.

If debt markets remain challenging it may be necessary for borrowing levels within certain businesses to be reduced. Should the Boards and management of these businesses amortise certain debt facilities ahead of maturity, receipts from the underlying businesses would be reduced with a commensurate effect on MIIF's ability to make distributions to shareholders.

With respect to global economic activity, MIIF's investments in CAC and Miaoli Wind are likely to remain relatively unaffected. However, revenues from MIIF's remaining investments, particularly those in China and transportation assets in Europe, are being impacted by the economic slowdown.

MIIF will maintain its prudent approach to all activities. It will adopt a conservative approach to capital management and will focus on optimising the performance of its businesses through disciplined cost control and revenue initiatives.

CONFIRMATION OF THE BOARD PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

On behalf of the Board of Directors of Macquarie International Infrastructure Fund Limited, we, the undersigned hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the quarter ended 31 March 2009 to be false or misleading.

On behalf of the Board of Directors



John Stuart Hugh Roberts
Chairman
Sydney
13 May 2009



Heng Chiang Meng
Deputy Chairman
Singapore
13 May 2009