Circular dated 22 October 2007

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Circular. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

If you have sold or transferred all your shares in the capital of Macquarie International Infrastructure Fund Limited ("**MIIF**"), you should immediately forward this Circular, together with the Notice of Special General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

MACQUARIE

MACQUARIE INTERNATIONAL INFRASTRUCTURE FUND LIMITED

(A mutual fund company incorporated with limited liability in Bermuda)

CIRCULAR TO SHAREHOLDERS IN RELATION TO

(1) THE PROPOSED DISPOSAL OF MIIF'S 3.2% EFFECTIVE INTEREST IN BRUSSELS AIRPORT;

(2) THE PROPOSED DISPOSAL OF MIIF'S 100% INTEREST IN TANQUID; AND

(3) THE PROPOSED ADOPTION OF THE SCRIP DIVIDEND SCHEME.

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form:	7 November 2007 at 2.00 p.m.
Date and time of Special General Meeting:	9 November 2007 at 2.00 p.m.
Place of Special General Meeting:	Orchard Ballroom 3, Orchard Hotel Singapore, 442 Orchard Road, Singapore 238879

GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

"A$"	Australian Dollar
"ASX"	Australian Stock Exchange
"Arqiva"	National Transcommunications Limited and NTL Digital Limited (formerly known as ntl Broadcast)
"Audit Committee"	The audit committee of MIIF comprising the Independent Directors
"BA IFA Letter"	The letter from the IFA to the Independent Directors dated 18 October 2007 in relation to the Proposed BA Disposal as set out in Appendix 5 of this Circular
"BA Sale Price"	The cash consideration comprising: • EUR 52.9 million which is equal to MIIF's valuation of its 3.2% effective interest in Brussels Airport as at 30 June 2007; plus • roll forward from 30 June 2007 to the date of completion of the Proposed BA Disposal, at a discount rate of 11.16% per annum; minus • distributions paid by MABSA subsequent to 30 June 2007 and prior to such date of completion The discount rate of 11.16% per annum was derived using the capital asset pricing model, which is benchmarked against market comparables This discount rate was used by MIIF to value its interest in MABSA as at 30 June 2007 and is reflected in the net asset value per Share published by MIIF in its announcement of its financial results for the period ended 30 June 2007 MIIF's financial results for the period ended 30 June 2007 have been reviewed by PwC as auditors of MIIF and approved by the Directors prior to the release of MIIF's financial results
"Books Closure Date"	The date to be determined by the Directors on which the Register of Members of MIIF will be closed for the purpose of determining the entitlements of Shareholders to a Dividend and is the day immediately preceding the first day of the Books Closure Period
"Books Closure Period"	The period to be determined by the Directors during which the Register of Members of MIIF will be closed for the purpose of determining the entitlements of Shareholders to a Dividend
"Brussels Airport"	The international airport in Brussels, Belgium operated and managed by TBAC on land owned by TBAC
"Brussels Airport Sale and Purchase Agreement"	The agreement dated 28 August 2007 made between MIIF and MAp relating to the disposal of MIIF's 3.2% effective interest in Brussels Airport (held through a 4.58% interest in MABSA which owns 70% of TBAC)
"Business"	IVG-TL and IVG-BF
"CAC"	Canadian Aged Care
"CDP"	The Central Depository (Pte) Limited
"CXP"	Changshu Xinghua Port
"DUET"	DUET Group

"Directors"	.. ..	The directors of MIIF
"Dividend"	.. ..	A dividend (including any interim, final, special or other dividend) to be paid on the issued ordinary share capital of MIIF as resolved or proposed by the Directors or by MIIF in general meeting
"Deloitte" or the "IFA"	.. ..	Deloitte & Touche Corporate Finance Pte Ltd, the independent financial adviser appointed in relation to both the Proposed BA Disposal and the Proposed TanQuid Disposal
"E&Y"	.. ..	Ernst & Young, Transaction Advisory Services, the independent valuer appointed to determine the independent fair market value of 100% of MSHL
"EUR" or "€"	.. ..	Euros
"EV/EBITDA"	.. ..	Enterprise value divided by earnings before interest, tax, depreciation and amortisation
"FCO"	.. ..	German Federal Cartel Office
"GIF II"	.. ..	Global Infrastructure Fund II
"Gearing"	.. ..	Total borrowings divided by total assets
"Group"	.. ..	MIIF and its subsidiaries
"ICG"	.. ..	Intermediate Capital Group Plc
"IRR"	.. ..	Internal rate of return
"IVG"	.. ..	IVG Immobilien AG, a stock corporation (*Aktiengesellschaft*)
"IVG-BF"	.. ..	IVG Tanklager-Betriebsführungsgesellschaft mbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) and wholly owned subsidiary of TanQuid II
"IVG-TL"	.. ..	IVG Tanklagergesellschaft mbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) and wholly owned subsidiary of TanQuid II
"Independent Directors"	.. ..	The independent directors of MIIF
"Interested Person(s)"	.. ..	Macquarie Group Member(s)
"KPMG"	.. ..	KPMG Corporate Finance (Aust) Pty Ltd
"LLC"	.. ..	Limited liability company
"LMIF"	.. ..	LODH Macquarie Infrastructure Fund (the investment manager, Macquarie Specialised Asset Management (Bermuda) Limited is a subsidiary of Macquarie Bank)
"LTC"	.. ..	Long-term care
"Latest Practicable Date"	.. ..	16 October 2007, being the latest practicable date prior to the printing of this Circular
"Listing Manual"	.. .. ..	The Listing Manual of the SGX-ST
"Loan Balance"	.. .. ..	The aggregate of all outstanding monies borrowed or raised pursuant to bonds, notes, loans or loan stock (including all interest accrued thereon) owed by TanQuid II to LMIF, its subsidiary and parent undertakings and subsidiary undertakings of its parent undertakings
"MABSA"	.. ..	Macquarie Airports (Brussels) S.A.
"MABSA Shareholder"	.. ..	A holder of shares in MABSA

"MABSA Shareholders' Agreement"	The agreement dated 10 November 2004 made between Macquarie Airports Europe Limited, MABSA, MEIF Luxembourg Holdings S.A., Macquarie Global Infrastructure Funds 2 S.A., MIIF, Macquarie Airports Limited and Macquarie Airports Management Limited (as responsible entity of the Macquarie Airports Trust (2)) (as amended)
"MAHBL"	Macquarie Airports Holdings (Bermuda) Limited
"MAML"	Macquarie Airports Management Limited
"MAp"	Macquarie Airports, comprising MAT1, MAT2 and MAHBL (the manager, MAML, is a subsidiary of Macquarie Bank)
"MAT1"	Macquarie Airports Trust 1
"MAT2"	Macquarie Airports Trust 2
"MCG"	Macquarie Communications Infrastructure Group
"MEIF"	Macquarie European Infrastructure Fund L.P.
"MIC"	Macquarie Infrastructure Company
"MIIF"	Macquarie International Infrastructure Fund Limited
"MIMAL" or the "Manager"	Macquarie Infrastructure Management (Asia) Pty Limited, the sole and exclusive manager of MIIF
"MLAH"	Macquarie LAH Pty Ltd
"MMG"	Macquarie Media Group
"MSAM"	Macquarie Specialised Asset Management (Bermuda) Limited
"MSHL"	Macquarie Storage Holdings Limited
"Macquarie Bank"	Macquarie Bank Limited
"Macquarie Bank Group"	Macquarie Bank and any holding entity of Macquarie Bank, its subsidiaries and affiliates
"Macquarie Group Member"	A member of the Macquarie Bank Group
"Macquarie Securities"	Macquarie Securities (Australia) Limited
"Management Agreement"	The agreement dated 19 May 2005 made between MIMAL and MIIF, pursuant to which MIMAL was appointed sole and exclusive manager of MIIF
"Market Day"	A day on which the SGX-ST is open for trading in securities
"NGW"	National Grid Wireless
"NTA"	Net tangible assets
"New Shares"	New Shares to be issued, credited as fully paid, pursuant to the Scrip Dividend Scheme
"Och-Ziff"	Och-Ziff Capital Management
"Overseas Shareholders"	Shareholders with registered addresses outside Singapore and who have not provided to MIIF or (as the case may be) CDP, not later than five Market Days prior to the Books Closure Date, addresses in Singapore for the service of notices and documents
"Petroplus"	A portfolio of oil and chemical tank storage facilities acquired from Petroplus International B.V. in July 2006

"Price Determination Period"	The period commencing on the day on which the Shares are first quoted ex-dividend on the SGX-ST after the announcement of the Dividend and ending on the Books Closure Date
"Proposed BA Disposal"	The proposed disposal by MIIF of its 3.2% effective interest in Brussels Airport (held through a 4.58% interest in MABSA which owns 70% of TBAC) to MAp on the terms and subject to the conditions of the Brussels Airport Sale and Purchase Agreement
"Proposed TanQuid Disposal"	The proposed disposal by MIIF of its 100% interest in TanQuid held through MIIF's wholly owned subsidiary, MSHL, to LMIF on the terms and subject to the conditions of the TanQuid Sale and Purchase Agreement
"Prospectus"	The prospectus dated 20 May 2005 issued by MIIF in connection with its initial public offering
"PwC"	PricewaterhouseCoopers, Certified Public Accountants
"Qualifying Dividend"	A Dividend to which the Scrip Dividend Scheme applies, as determined by the Directors
"Register of Members"	The register of members of MIIF
"S$" and "cents"	Singapore Dollar and cents
"SGM"	The special general meeting of Shareholders to be held on 9 November 2007 at 2.00 p.m. to approve the matters set out in the notice of SGM on pages 64 to 65 of this Circular
"SGX-ST"	Singapore Exchange Securities Trading Limited
"Scrip Dividend Scheme"	Macquarie International Infrastructure Fund Limited Scrip Dividend Scheme
"Shares"	Ordinary shares of par value S$0.01
"Shareholders"	Registered holders of Shares except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the persons to whose securities accounts maintained with CDP are credited with the Shares
"Substantial Shareholders"	The term "Substantial Shareholder" shall have the same meaning ascribed to it in Sections 81(1) and 81(2) of the Companies Act, Chapter 50 of Singapore
"TBAC"	The Brussels Airport Company
"TBC"	Taiwan Broadband Communications
"TRS"	Total return swap
"Take-over Code"	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
"TanQuid"	TanQuid GmbH & Co. KG
"TanQuid II"	TanQuid Zweite GmbH & Co. KG
"TanQuid II Completion Date"	The date falling five business days (being a day other than a Saturday or Sunday or public holiday in England and Wales) after the date of the SGM (or in any event five days before 31 December 2007)
"TanQuid II Interest"	The limited partnership interest in TanQuid II

"TanQuid II Sale and Purchase Agreement"	The agreement dated 28 August 2007 made between MIIF, MSHL and LMIF relating to the disposal of MSHL's entire limited partnership interest in TanQuid II (as amended on 7 September 2007 and further amended on 13 September 2007)
"TanQuid IFA Letter"	The letter from the IFA to the Independent Directors dated 18 October 2007 in relation to the Proposed TanQuid Disposal as set out in Appendix 6 of this Circular
"TanQuid Interest"	The limited partnership interest in TanQuid
"TanQuid Sale and Purchase Agreement"	The agreement dated 14 September 2007 made between MIIF and LMIF relating to the disposal of MIIF's 100% interest in TanQuid held through MIIF's wholly owned subsidiary, MSHL
"TanQuid Sale Price"	The cash consideration comprising: • EUR 89.0 million which is equal to MIIF's valuation of its interest in TanQuid as at 30 June 2007; plus • roll forward from 30 June 2007 to the date of completion of the Proposed TanQuid Disposal at a discount rate of 14.00% per annum; minus • distributions paid by MSHL subsequent to 30 June 2007 and prior to such date of completion The discount rate of 14.00% per annum was derived using the capital asset pricing model, which is benchmarked against market comparables This discount rate was used by MIIF to value its interest in TanQuid as at 30 June 2007 and is reflected in the net asset value per Share published by MIIF in its announcement of its financial results for the period ended 30 June 2007 MIIF's financial results for the period ended 30 June 2007 have been reviewed by PwC as auditors of MIIF and approved by the Directors prior to the release of MIIF's financial results
"US$"	United States Dollar
"%"	Per centum or percentage

The terms "Depositor" and "Depository Register" shall have the meanings ascribed to them respectively in Section 130A of the Companies Act, Chapter 50 of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any discrepancies in the tables, graphs and charts included in this Circular between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

In this Circular, translations of certain foreign currency amounts into Singapore dollar amounts or *vice versa* have been made at the spot rates of exchange on the Latest Practicable Date based on Bloomberg data, unless otherwise indicated. Translations of such foreign currency amounts were made as follows:

A$1.00	:	S$1.3044
€1.00	:	S$2.0809
US$1.00	:	S$1.4684

Such translations are provided solely for the convenience of the readers and should not be construed as representations that the Singapore dollar amounts stated in this Circular could have been or would have been converted into such other foreign currency amounts or *vice versa*, at the above rates or at any rates at all.

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CORPORATE INFORMATION

Directors	Mr John Stuart Hugh Roberts *(Chairman and Nominated Director)* Mr Heng Chiang Meng *(Deputy Chairman and Independent Director)* Mr Robert Andrew Mulderig *(Independent Director)* Mr Michael David Hamer *(Independent Director)*
Registered Office and Principal Place of Business	Rosebank Centre 11 Bermudiana Road Pembroke HM 08 Bermuda
Bermuda Company Registration Number	EC36305
Manager	Macquarie Infrastructure Management (Asia) Pty Limited No. 1 Martin Place Sydney New South Wales 2000 Australia
Bermuda Administrator	Butterfield Fund Services (Bermuda) Limited Rosebank Centre 11 Bermudiana Road Pembroke HM 08 Bermuda
Singapore Share Transfer Agent	M & C Services Private Limited 138 Robinson Road #17-00 The Corporate Office Singapore 068906
Legal Adviser to MIIF as to Singapore law	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to MIIF as to Bermuda law	Conyers Dill & Pearman Clarendon House 2 Church Street Hamilton HM11 Bermuda
Independent Financial Adviser to the Independent Directors of MIIF	Deloitte & Touche Corporate Finance Pte Ltd 6 Shenton Way #32-00 DBS Building Tower Two Singapore 068809
Auditors	PricewaterhouseCoopers Certified Public Accountants 8 Cross Street #17-00 PWC Building Singapore 048424
Joint Valuer of the Proposed BA Disposal	KPMG Corporate Finance (Aust) Pty Ltd 10 Shelley Street Sydney NSW 2000

Joint Valuer of the Proposed TanQuid Disposal	Ernst & Young Transaction Advisory Services One Raffles Quay North Tower, Level 18 Singapore 048583
Tax Adviser	KPMG Tax Services Pte Ltd 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581

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EXECUTIVE SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular.

Introduction

This Circular sets out MIIF's plans to dispose of its 3.2% effective interest in Brussels Airport (held through a 4.58% interest in MABSA which owns 70% of TBAC) (the "**Proposed BA Disposal**") and its 100% interest in TanQuid (the "**Proposed TanQuid Disposal**"), and to adopt the Scrip Dividend Scheme.

MIIF, a Bermudian mutual fund company listed on the main board of the SGX-ST, is a private owner and operator of a diversified group of infrastructure assets, but with an increasing focus on Asia.

MIIF's strategy is to invest in and acquire infrastructure assets at competitive prices that deliver attractive returns in the form of dividends, distributions and other sources of cash flow, in addition to the potential for capital growth. It intends to acquire significant interests in infrastructure assets and to exert influence over the business to deliver, *inter alia*, revenue growth, margin improvements and optimisation of financing structures.

MIIF continues to develop a pipeline of Asian investment opportunities. It will opportunistically and progressively divest of its non-Asian assets, such as Brussels Airport and TanQuid to fund its acquisitions and continue to rebalance MIIF's portfolio to reflect its Asian focus. In line with this, MIIF announced on 12 September 2007 that it proposed to acquire a company which owns and manages operating wind farms in Miaoli County, Taiwan.

MIIF paid a dividend of 4.15 cents per Share for the six months ended 30 June 2007. It expects to maintain and grow the current level of dividends per Share over time. As at the Latest Practicable Date, MIIF's existing portfolio comprises:

(a) a 8.7% effective interest in Arqiva;

(b) a 3.2% effective interest in Brussels Airport;

(c) a 38.0% effective interest in CXP;

(d) a 100.0% interest in TanQuid;

(e) a 55.0% economic interest in CAC by way of total return swaps;

(f) a 6.3% interest in MEIF;

(g) a 2.1% economic interest in MAp by way of a total return swap with MLAH; and

(h) a 20.0% effective interest in TBC.

Overview of the Proposed Disposal of Brussels Airport and TanQuid

The proposed disposal of Brussels Airport and TanQuid is in line with MIIF's commitment to maximise value for Shareholders and, over time, to progressively move its portfolio of assets to be more focused on Asian infrastructure.

MIIF proposes to (i) dispose of its 3.2% effective interest in Brussels Airport to MAp; and (ii) dispose of its 100% interest in TanQuid to LMIF.

The SGX-ST considers MIMAL to be an Interested Person for the purposes of Chapter 9 of the Listing Manual. Since MAp and LMIF are managed by associates (as defined in the Listing Manual) of MIMAL, accordingly, both the Proposed BA Disposal and the Proposed TanQuid Disposal will be transactions involving Interested Persons.

(See paragraphs 2.4 and 3.4 for further details on the Shareholders approval relating to the Proposed BA Disposal and the Proposed TanQuid Disposal respectively).

MIIF and MAp have jointly engaged KPMG to undertake an independent valuation of MABSA. As at 30 June 2007, the market valuation of MABSA was between EUR 1,041.5 million and EUR 1,157.4 million. Based on this valuation, the implied value of MIIF's 3.2% effective interest in Brussels Airport through its 4.58% interest in MABSA as at 30 June 2007 was between EUR 47.7 million and EUR 53.0 million.

(See paragraph 2.2 and Appendix 2 for further details on the Independent Valuation Summary Letter relating to MABSA).

On 17 September 2007, MIIF announced that it had entered into a sale and purchase agreement to sell its limited partnership interest in TanQuid which is held through its wholly owned subsidiary, MSHL, to LMIF.

Similarly, MIIF and LMIF have jointly engaged Ernst & Young to undertake an independent valuation of 100% of MSHL. As at 30 June 2007, the fair market value of MSHL was between EUR 81.2 million and EUR 92.3 million.

(See paragraph 3.2 and Appendix 3 for further details on the Independent Valuation Summary Letter relating to MSHL).

The IFA is of the view that both the Proposed BA Disposal and the Proposed TanQuid Disposal are on normal commercial terms and are not prejudicial to the interests of MIIF and its minority Shareholders.

(See paragraphs 6.1 and 6.2 for further details on the IFA's advice regarding the Proposed BA Disposal and the Proposed TanQuid Disposal respectively).

While MIIF was in discussions with LMIF regarding the Proposed TanQuid Disposal, MSHL's wholly owned special purpose vehicle known as TanQuid II was also in discussions with IVG regarding a potential add-on acquisition of the tank farm operator, IVG-TL and the tank farm manager, IVG-BF. In order to keep TanQuid II under the same ownership as TanQuid, MSHL then agreed to sell its entire limited partnership interest in TanQuid II to LMIF.

Should Shareholders not approve the Proposed TanQuid Disposal or completion of the TanQuid Sale and Purchase Agreement does not occur prior to 31 December 2007, TanQuid II will be returned to MIIF by LMIF as set out in paragraph 3.1.

(See paragraph 3.1 for further details on the potential TanQuid add-on acquisition and the implications to MIIF if Shareholders' approval for the Proposed TanQuid Disposal is not obtained).

Rationale for the Sale of Brussels Airport and TanQuid

Key components of acquisition strategy completed

With the key components of the acquisition strategy for TanQuid now complete, there are limited further opportunities for earnings and distribution growth except through acquisition, which is counter to MIIF's aim of redeploying its capital base in Asia over time.

The key components of the acquisition strategy for Brussels Airport have also been completed, including the recently announced refinancing, which makes this an appropriate time to realise the value uplift in MIIF's investment.

Valuation and Returns

The sale of Brussels Airport and TanQuid will enable MIIF to realise an IRR of approximately 44% per annum[(1)] and 42% per annum[(2)] since its acquisition respectively.

MIIF Strategy

The sale of Brussels Airport and TanQuid is in line with MIIF's commitment to maximise value for Shareholders and, over time, to progressively move its portfolio of assets to be more focused on Asian infrastructure. MIIF continues to develop a pipeline of Asian investment opportunities.

Repayment of Debt

MIIF will use the sale proceeds to repay the drawn balance on its debt facilities, which will increase MIIF's flexibility to pursue further investment opportunities in Asia.

Speed and Certainty of Sale

MAp's offer to purchase MIIF's 3.2% effective interest in Brussels Airport was by way of cash, funding for which was already in place. As the majority shareholder of MABSA, MAp has dispensed with the need for further due diligence as a condition precedent to the completion of the Proposed BA Disposal and has also agreed to MIIF only providing representations and warranties as to authority and title.

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(1) Calculated based on local currency (€).

(2) Calculated based on local currency (€).

LMIF has undrawn investor equity commitments available to fund the transaction. Opening up the sale to a competitive process would not guarantee a successful outcome and would likely delay the completion of the proposed disposal of TanQuid.

(See paragraphs 2.6 and 3.6 for further details on the rationale for the Proposed BA Disposal and the Proposed TanQuid Disposal respectively).

The Proposed Adoption of the Scrip Dividend Scheme

The proposed adoption of the Scrip Dividend Scheme is mutually beneficial to MIIF and Shareholders. The Scrip Dividend Scheme enables Shareholders to acquire additional Shares without having to incur transaction or other related costs. MIIF will also benefit from the participation by Shareholders in the Scrip Dividend Scheme as, to the extent that Shareholders elect to receive Dividend in the form of Shares, the cash which would otherwise be payable by way of Dividend may be retained to fund the continuing growth and expansion of MIIF and its subsidiaries. The retention of cash and the issue of Shares in lieu of cash Dividend under the Scrip Dividend Scheme will also enlarge MIIF's share capital base and strengthen its working capital.

(See paragraph 4 for further details on the Scrip Dividend Scheme).

Summary of Approvals Required

The IFA has advised that both the Proposed BA Disposal and the Proposed TanQuid Disposal are on normal commercial terms and are not prejudicial to the interests of MIIF and its minority Shareholders. Accordingly, the Independent Directors recommend that Shareholders vote to approve the following resolutions at the SGM to be held at 2.00 p.m. on 9 November 2007 at Orchard Ballroom 3, Orchard Hotel Singapore, 442 Orchard Road, Singapore 238879:

1. that MIIF proceeds with the Proposed BA Disposal; and

2. that MIIF proceeds with the Proposed TanQuid Disposal.

In addition, the Directors recommend that Shareholders vote to approve the resolution that MIIF proceeds with the adoption of the Scrip Dividend Scheme.

The resolutions above are not inter-conditional and Shareholders may vote to approve any or all of the resolutions.

MACQUARIE INTERNATIONAL INFRASTRUCTURE FUND LIMITED
(A mutual fund company incorporated with limited liability in Bermuda)

Directors	Registered Office
Mr John Stuart Hugh Roberts *(Chairman and Nominated Director)*	Rosebank Centre
Mr Heng Chiang Meng *(Deputy Chairman and Independent Director)*	11 Bermudiana Road
Mr Robert Andrew Mulderig *(Independent Director)*	Pembroke HM 08
Mr Michael David Hamer *(Independent Director)*	Bermuda

22 October 2007

To: The Shareholders of
Macquarie International Infrastructure Fund Limited

Dear Sir/Madam

1. INTRODUCTION

This Circular sets out MIIF's plans to dispose of its 3.2% effective interest in Brussels Airport (held through a 4.58% interest in MABSA which owns 70% of TBAC) (the "**Proposed BA Disposal**") and its 100% interest in TanQuid (the "**Proposed TanQuid Disposal**"), and to adopt the Scrip Dividend Scheme.

MIIF, a Bermudian mutual fund company listed on the main board of the SGX-ST, is a private owner and operator of a diversified group of infrastructure assets, but with an increasing focus on Asia.

MIIF's strategy is to invest in and acquire infrastructure assets at competitive prices that deliver attractive returns in the form of dividends, distributions and other sources of cash flow, in addition to the potential for capital growth. It intends to acquire substantial interests in infrastructure assets and to exert influence over the business to deliver, *inter alia,* revenue growth, margin improvements and optimisation of financing structures.

Over the past two years, investors have communicated their support for MIIF to invest in more Asian assets. In response, MIIF has in its announcements since 28 February 2006 and in its presentations to the investing public as well as to Shareholders at its annual general meetings for 2006 and 2007 communicated its proposed focus towards Asian acquisitions by progressively selling non-Asian assets. MIIF has also indicated that it would continue to support acquisitions by its existing assets, by investing further equity in those assets, when those acquisitions are accretive to its existing portfolio. These announcements and presentations have been publicly disclosed through SGXNET on the SGX website and on MIIF's website.

In line with its increasing focus on Asia, MIIF continues to develop a pipeline of Asian investment opportunities. It will opportunistically and progressively divest of its non-Asian assets, such as Brussels Airport and TanQuid, to fund its acquisitions and continue to rebalance MIIF's portfolio to reflect its Asian focus. This includes the proposed acquisition by MIIF of a company which owns and manages operating wind farms in Miaoli County, Taiwan, which was announced by MIIF on 12 September 2007.

MIIF paid a dividend of 4.15 cents per Share for the six months ended 30 June 2007. It expects to maintain and grow the current level of dividends per Share over time. As at the Latest Practicable Date, MIIF's existing portfolio comprises:

(a) a 8.7% effective interest in Arqiva;

(b) a 3.2% effective interest in Brussels Airport;

(c) a 38.0% effective interest in CXP;

(d) a 100.0% interest in TanQuid;

(e) a 55.0% economic interest in CAC by way of total return swaps;

(f) a 6.3% interest in MEIF;

(g) a 2.1% economic interest in MAp by way of a total return swap with MLAH; and

(h) a 20.0% effective interest in TBC.

Further details of the existing assets are set out in Appendix 1 of this Circular.

The purpose of this Circular is to provide Shareholders with information relating to the proposals to be tabled at the SGM.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.

2. THE PROPOSED BA DISPOSAL

2.1 Announcement

On 29 August 2007, MIIF announced that it had entered into a sale and purchase agreement (the "**Brussels Airport Sale and Purchase Agreement**") with MAp, pursuant to which it will dispose of its 3.2% effective interest in Brussels Airport to MAp. The disposal will involve the sale by MIIF of its 4.58% interest in MABSA (which owns 70% of TBAC) to MAp for a cash consideration (the "**BA Sale Price**"), comprising:

- EUR 52.9 million (S$109.6 million when converted at the 30 June 2007 exchange rate of EUR 1.00 : S$2.0730) which is equal to MIIF's valuation of its 3.2% effective interest in Brussels Airport as at 30 June 2007; plus
- roll forward from 30 June 2007 to the date of completion of the Proposed BA Disposal, at a discount rate of 11.16% per annum, which is the discount rate used by MIIF to value its interest in MABSA at 30 June 2007; minus
- distributions paid by MABSA subsequent to 30 June 2007 and prior to such date of completion.

MABSA does not own any assets other than Brussels Airport.

Assuming Shareholders' approval for the Proposed BA Disposal is obtained at the SGM, and the Proposed BA Disposal is completed on 14 November 2007, as provided in the Brussels Airport Sale and Purchase Agreement, the BA Sale Price will amount to EUR 50.9 million as set out below:

- the 30 June 2007 valuation of EUR 52.9 million; plus
- roll forward from 30 June 2007 to the date of completion of the Proposed BA Disposal, at a discount rate of 11.16% per annum which amounts to EUR 2.1 million; minus
- distributions paid by MABSA of EUR 4.1 million in August 2007, with no further distributions expected between 30 June 2007 and the date of completion of the Proposed BA Disposal.

The BA Sale Price was arrived at on a willing seller and willing buyer basis. MIIF was a willing seller as, *inter alia*, MAp was prepared to pay a price based on MIIF's valuation of its 3.2% effective interest in Brussels Airport as at 30 June 2007, plus a roll forward based on the abovementioned discount rate (minus distributions paid by MABSA after 30 June 2007 and prior to completion) and is further supported by the valuation referred to in paragraph 2.2 below.

A copy of MIIF's announcement is available on the website of the SGX-ST at www.sgx.com.

MAp

MAp currently has major interests in four airports worldwide and holds the majority share in Brussels Airport of approximately 54% (through its 77% share in MABSA). As the major shareholder in Brussels Airport and a significant global airport owner, MAp is considered to be very well positioned to offer a competitive price to MIIF among the various institutions investing in the airport sector.

The MABSA Shareholders' Agreement contains provisions that afford pre-emptive rights over shares that a MABSA Shareholder seeks to transfer. Such pre-emptive rights are likely to create a disincentive for potential acquirers that are not existing MABSA Shareholders in engaging with MIIF in a competitive tender process. This is due to the risk to potential buyers that after time and resources are spent on due diligence and negotiating the purchase of MIIF's stake in MABSA, it is likely that MAp would exercise its pre-emptive rights.

The other current shareholders of MABSA are MAp, MEIF and GIF II. MEIF and GIF II have indicated that they will waive their pre-emption rights to permit MIIF's sale of its 3.2% effective interest in Brussels Airport to MAp, and have not indicated any objections to the Proposed BA Disposal.

2.2 Asset Value

MIIF and MAp have jointly engaged KPMG to undertake an independent valuation of MABSA. As at 30 June 2007, the market valuation of MABSA was between EUR 1,041.5 million and EUR 1,157.4 million. The Independent Valuation Summary Letter relating to MABSA is set out in Appendix 2 of this Circular.

Based on this valuation, the implied value of MIIF's 3.2% effective interest in Brussels Airport through its 4.58% interest in MABSA as at 30 June 2007 was between EUR 47.7 million and EUR 53.0 million.

2.3 Gain on Disposal

Assuming that the Proposed BA Disposal completes on 14 November 2007 as set out in paragraph 2.1 above, MIIF will receive net proceeds of approximately EUR 50.7 million, after deducting expected transaction costs of approximately EUR 0.1 million. The net proceeds from the Proposed BA Disposal represent an excess of EUR 16.4 million over the acquisition price of EUR 34.3 million paid by MIIF to acquire its 3.2% effective interest in Brussels Airport in 2005.

2.4 Shareholders' Approval

As the Proposed BA Disposal is in, or in connection with, the ordinary course of MIIF's business, Shareholders' approval is not required for the purposes of Chapter 10 of the Listing Manual.

MAp is managed and advised by associates (as defined in the Listing Manual) of MIMAL which is regarded by the SGX-ST as MIIF's interested person for the purposes of Chapter 9 of the Listing Manual. Accordingly, the Proposed BA Disposal will be an interested person transaction. As the BA Sale Price represents more than 5% of the Group's latest audited NTA of S$1.34 billion as at 31 December 2006, the Proposed BA Disposal requires the approval of Shareholders in accordance with Chapter 9 of the Listing Manual.

2.5 Principal Terms of the Proposed BA Disposal

The Brussels Airport Sale and Purchase Agreement contains representations and warranties by MIIF with respect to such matters as authority and title, provides for the maximum aggregate liability of MIIF in respect of claims in contract, tort or pursuant to the Companies Act 1981 (Bermuda) to not exceed the BA Sale Price and further provides that MIIF shall not be liable for any special, indirect and consequential loss.

Further terms of the Proposed BA Disposal are set out in paragraph 2.1 above.

2.6 Rationale for the Proposed BA Disposal

The Audit Committee believes that the Proposed BA Disposal is in the interests of MIIF and its minority Shareholders.

Key components of acquisition strategy completed

During MIIF's ownership, a significant number of value enhancing initiatives have been implemented and there have also been a number of favourable developments. These include:

— sustained traffic growth, underpinned by successful airline marketing;

— increased cost efficiency, including the renegotiation of key subcontractor agreements;

— enhanced commercial revenues by acceleration of property and retail development;

— reduction in equity market perception of airport and infrastructure asset risk; and

— exceeding the operational forecasts as at acquisition.

The ability to introduce these changes and take the business to a higher level of stability was part of the investment proposal at the time of MIIF's investment. MABSA is 100% controlled by Macquarie managed funds and is the majority owner of Brussels Airport. The other Macquarie managed funds have similar investment objectives to MIIF. Brussels Airport is managed by the IB Funds division of Macquarie Bank in accordance with these objectives.

These developments have been included in updated financial projections on which MIIF's valuation of MABSA at 30 June 2007 and the BA Sale Price were based. Hence, with the key components of the acquisition strategy for Brussels Airport now complete, including the recently announced refinancing, this is an appropriate time to realise the value uplift in MIIF's investment.

The revenue and EBITDA of Brussels Airport for the last three financial years ended 31 December 2006 are set out below:

Year ended 31 December	2004	2005	2006
Revenue (€ million)	303.6	324.6	347.1
EBITDA (€ million)	135.9	162.2	183.1

Valuation and Returns

Since MIIF acquired its 3.2% effective interest in Brussels Airport in 2005, Brussels Airport has performed strongly. The offer price for Brussels Airport reflects this performance and equates to an EV/EBITDA(1) multiple of 14.8 times(2) for the 12 month period ended 31 December 2006. The sale price is in the upper end of the independent valuation referred to in paragraph 2.2 above.

Further, MIIF has not ascribed any discount to the valuation of MABSA's interest in Brussels Airport in order to reflect its minority shareholding in Brussels Airport. Such discounts are commonly applied in valuations of minority shareholdings of companies and would be expected to be applied by bidders in a competitive bidding process.

The sale of Brussels Airport will enable MIIF to realise an IRR of approximately 44% per annum(3) since its acquisition.

Brussels Airport	
MIIF Investment	2005
Invested Amount	S$71.7 million
Distributions to expected date of completion of the Proposed BA Disposal (14 November 2007)	S$46.2 million
BA Sale Price(*)	S$105.9 million
Expected Transaction Costs	(S$0.3 million)
Total Expected Realised Value	**S$151.8 million**
Expected Realised Value Multiple on Investment	*2.1x*
MIIF IRR at sale to MAp	44%

Note:

(*) Assuming that the Proposed BA Disposal completes on 14 November 2007 as set out in paragraph 2.1 above.

MIIF Strategy

The sale of Brussels Airport is in line with MIIF's commitment to maximise value for Shareholders and, over time, to progressively move its portfolio of assets to be more focused on Asian infrastructure. MIIF continues to develop a pipeline of Asian investment opportunities. MIIF anticipates that such acquisitions will allow MIIF to maintain and grow dividends over time.

Repayment of Debt

Upon receipt, the net proceeds from the sale of MIIF's 3.2% effective interest in Brussels Airport of S$105.6 million (assuming that the sale completes on 14 November 2007) will be used to partially repay outstanding loan amounts of S$209.3 million as at the Latest Practicable Date. The remaining terms of the facilities are up to July 2009. The loans are provided by United Overseas Bank Limited and a syndicate of banks led by DBS Bank Ltd and Australia and New Zealand Banking Group Limited.

The balance of the proceeds, if any, will be invested by MIIF over time in line with its investment objectives and policies, and only realised gains may be used for working capital and general

(1) Equity valuation of EUR 1.6 billion; Net debt of EUR 1.1 billion; EBITDA of EUR 183.1 million.

(2) Calculated based on local currency (€).

(3) Calculated based on local currency (€).

corporate purposes including the payment of dividends. The repayment of the drawn debt balance on the facilities will increase MIIF's flexibility to pursue further investment opportunities in Asia.

Speed and Certainty of Sale

MAp's offer to purchase MIIF's 3.2% effective interest in Brussels Airport was by way of cash, funding for which was already in place. Once the conditions precedent to the completion of the Proposed BA Disposal, including Shareholders' approval at the SGM to be convened, are satisfied, the parties will be able to proceed with completion without being subject to any potential delay that may arise had the Proposed BA Disposal been entered into with a purchaser who needs to raise funds through an equity or debt offering.

MAp, as the majority shareholder of MABSA, has dispensed with the need for further due diligence as a condition precedent to the completion of the Proposed BA Disposal. As a result of MAp's familiarity with MABSA and hence Brussels Airport, it has also agreed to MIIF only providing representations and warranties as to authority and title. A third party who is unfamiliar with Brussels Airport would be expected to require satisfactory due diligence as a condition of the Proposed BA Disposal and also to require MIIF to provide full representations and warranties on MABSA and Brussels Airport and their assets and businesses.

2.7 Financial Effects of the Proposed BA Disposal

The financial effects of the Proposed BA Disposal on the share capital, NTA per Share of the Group, the earnings per Share of the Group and the Gearing at MIIF level, based on the unaudited financial information of the Group for the six months ended 30 June 2007 are set out below. The unaudited financial information of the Group for the six months ended 30 June 2007 was reviewed by MIIF's auditors. The impact on the NTA per Share of the Group, the earnings per Share of the Group and the Gearing at MIIF level assuming the Proposed BA Disposal is completed on 14 November 2007 will not be materially different from the financial effects currently presented in this Circular.

(a) Share Capital

The Proposed BA Disposal would not have any impact on the issued and paid-up share capital of MIIF.

(b) NTA

Assuming that the Proposed BA Disposal had been completed on 30 June 2007, the Proposed BA Disposal would not have had any impact on the NTA per Share of the Group as at 30 June 2007. This is because the consideration for the Proposed BA Disposal is based on MIIF's valuation of its 3.2% effective interest in Brussels Airport as at 30 June 2007, reflected in the unaudited financial report of the Group for the six months ended 30 June 2007. MIIF's 3.2% effective interest has not been consolidated in the financial statements of the Group.

(c) Earnings

Assuming that the Proposed BA Disposal had been completed on 1 January 2007, the effect on the earnings per Share of the Group for the six months ended 30 June 2007 would be as follows:

	Prior to the Proposed BA Disposal	After the Proposed BA Disposal
Profit after tax (S$'000)	195,550	189,152
Weighted average number of Shares on issue ('000)	1,279,687	1,279,687
Earnings per Share (cents)	15.28	14.78

The reduction in earnings per Share from the Proposed BA Disposal is the net result of the following assumptions:

(i) investments are marked to market up till 1 January 2007; hence no accounting profit or loss is recorded from the Proposed BA Disposal; and

(ii) reversal of gain on revaluation of Brussels Airport for the 6 months ended 30 June 2007.

(d) Gearing at MIIF Level

Assuming that the Proposed BA Disposal had been completed on 30 June 2007, the Proposed BA Disposal would have the following impact on MIIF's Gearing level:

	Prior to the Proposed BA Disposal	After the Proposed BA Disposal
Total borrowings (S$'000)	289,054	179,409
Total assets (S$'000)	1,913,695	1,804,050
Gearing (%)	15.10	9.94

The above table is prepared using the following assumptions:

(i) the consideration for the Proposed BA Disposal is based on the value of the 3.2% effective interest in Brussels Airport as at 30 June 2007; and

(ii) the consideration of S$109.6 million is used to partially repay loan facilities as at 30 June 2007 of S$289.1 million. The loans are provided by United Overseas Bank Limited and a syndicate of banks led by DBS Bank Ltd and Australia and New Zealand Banking Group Limited.

(e) Events subsequent to Balance Sheet Date

Sale of Macquarie Infrastructure Company

On 2 July 2007, MIIF unwound its TRS arrangements with Macquarie Bank in respect of 599,000 LLC interests in MIC.

MIIF and Macquarie Bank mutually agreed to waive the TRS termination period of 90 days. Macquarie Bank elected to meet its obligations under the TRS by delivery of the LLC interests in MIC. To take advantage of the follow-on offering of LLC interests in MIC that was announced on 25 June 2007, MIIF requested that the LLC interests which are the subject of the TRS be offered for sale in conjunction with the recently completed MIC follow-on offering. The follow-on offering was successfully priced at US$40.99 per LLC interest, which equated to a total gross consideration of US$24.6 million (S$36.1 million) for the 599,000 LLC interests in MIC. MIIF recorded a gain of US$7.7 million (S$11.3 million) from initial investment costs upon disposal of the holding.

Sale of DUET

On 4 July 2007, MIIF unwound its TRS arrangements with Macquarie Bank in respect of 17,592,000 securities in DUET.

MIIF and Macquarie Bank mutually agreed to waive the TRS termination period of 90 days. Macquarie Bank elected to meet its obligations under the TRS by delivery of the securities in DUET. As requested by MIIF, these DUET securities were successfully sold off-market via a book-build process conducted by Macquarie Securities. The sale was successfully priced at A$3.70 per security, which equated to a total gross consideration of A$65.1 million (S$84.9 million) for the 17,592,000 securities in DUET. MIIF recorded a gain of A$21.6 million (S$28.2 million) from initial investment costs upon disposal of the holding.

Conversion of performance fee to a subscription for Shares

On 6 July 2007, MIIF announced that a performance fee of S$3.1 million was payable to the Manager, for the three month period from 1 April 2007 to 30 June 2007. The Manager has applied the performance fee payable to a subscription of Shares. In accordance with the calculation disclosed in the Prospectus, 2,764,856 Shares were issued to the Manager and listed on the SGX-ST on 31 August 2007.

Acquisition of Taiwan Broadband Communications

On 16 July 2007, MIIF reached an agreement with affiliated investment funds managed by Och-Ziff for the sale of its 20% effective interest in TBC, which is one of Taiwan's largest CATV (cable television) infrastructure owners and leading cable television operators.

MIIF acquired Och-Ziff's stake in TBC for a final acquisition price (including transaction costs) of US$178 million (S$261 million). The acquisition price, negotiated on an arm's length commercial basis, was based on a valuation of the asset determined by using established valuation techniques[(1)].

The purchase price represents an EV/EBITDA multiple of 12.2 times for the 12 months ended 31 December 2006.

TBC is currently 60% owned by MMG, a Macquarie managed investment vehicle, with 20% each held by ICG and MIIF.

Sale of Macquarie Communications Infrastructure Group

On 26 July 2007, MIIF unwound its TRS arrangements with Macquarie Bank in respect of 18,783,000 securities in MCG. MCG is a leading owner and operator of communications infrastructure in Australia, the United Kingdom and the United States of America.

MIIF and Macquarie Bank mutually agreed to waive the TRS termination period of 90 days. Macquarie Bank elected to meet its obligations under the TRS by retaining the MCG securities and delivering cash to MIIF as full and final settlement. As prescribed in the TRS arrangements, the cash proceeds payable were determined by the arithmetic average of the 15 trading-day daily VWAP[(2)] ended 26 July 2007, the date the settlement election was made. Macquarie Bank paid MIIF the sum of A$112.6 million (S$146.9 million) or A$6.0 per MCG security to MIIF on 3 August 2007. MIIF used the proceeds to repay part of the drawn balance on its debt facilities. MIIF recorded a loss of A$5.6 million (S$7.3 million) from initial investment costs upon disposal of the holding. The IRR obtained from the sale of MCG (including distributions) was 5% per annum.

Refinancing Proceeds from Taiwan Broadband Communications

On 17 August 2007, MIIF announced that it had received total proceeds of US$68.3 million (S$100.3 million) from the refinancing of the existing debt facilities of TBC since the financial close of the acquisition on 16 July 2007.

The proceeds consisted of US$49.2 million (S$72.2 million) from senior debt refinancing[(3)] and US$19.1 million (S$28.0 million) from the refinancing of the TBC international consortium vehicle's unsecured holding company facility.

3. THE PROPOSED TANQUID DISPOSAL

3.1 Announcement

On 17 September 2007, MIIF announced that it had entered into a sale and purchase agreement (the "**TanQuid Sale and Purchase Agreement**") with LMIF, pursuant to which it will dispose of its TanQuid Interest held through its wholly owned subsidiary, Macquarie Storage Holdings Limited ("**MSHL**") and the benefit of the aggregate outstanding indebtedness owed by MSHL to MIIF immediately prior to completion under the TanQuid Sale and Purchase Agreement to LMIF, which currently amounts to EUR 34.9 million.

The disposal will involve the sale by MIIF of its 100% interest in MSHL and the transfer by MIIF to LMIF of the benefit of the aggregate outstanding indebtedness owed by MSHL to MIIF immediately prior to completion under the TanQuid Sale and Purchase Agreement for a cash consideration (the "**TanQuid Sale Price**"), comprising:

- EUR 89.0 million (S$184.5 million when converted at the 30 June 2007 exchange rate of EUR 1.00 : S$2.0730) which is equal to MIIF's valuation of its interest in TanQuid as at 30 June 2007; plus

(1) Discounted cash flow analysis, valuation of similar investments, reference to recent sale transactions of similar businesses and other methods as determined by the Manager.

(2) Volume Weighted Average Price.

(3) Announced on 16 August 2007.

- roll forward from 30 June 2007 to the date of completion of the Proposed TanQuid Disposal at a discount rate of 14.00% per annum; minus
- distributions paid by MSHL subsequent to 30 June 2007 and prior to such date of completion.

MSHL does not own any assets other than TanQuid.

Assuming Shareholders' approval for the Proposed TanQuid Disposal is obtained at the SGM, and the Proposed TanQuid Disposal is completed on 14 November 2007, the TanQuid Sale Price will amount to EUR 88.0 million as set out below:

- the 30 June 2007 valuation of EUR 89.0 million; plus
- roll forward from 30 June 2007 to the date of completion of the Proposed TanQuid Disposal, at a discount rate of 14.00% per annum which amounts to EUR 4.5 million; minus
- distributions paid by MSHL of EUR 5.5 million in September 2007, with no further distributions expected between 30 June 2007 and the date of completion of the Proposed TanQuid Disposal.

The TanQuid Sale Price was arrived at on a willing seller and willing buyer basis. MIIF was a willing seller as, *inter alia*, LMIF was prepared to pay a price based on MIIF's valuation of its interest in TanQuid as at 30 June 2007, plus a roll forward based on the abovementioned discount rate (minus distributions paid by MSHL after 30 June 2007 and prior to completion) and is further supported by the valuation referred in paragraph 3.2 below.

Potential TanQuid Add-on Acquisition

Overview

At the same time as MIIF entered into negotiations with LMIF regarding the Proposed TanQuid Disposal, it was in the process of negotiating an add-on acquisition to the TanQuid business, by way of establishing a special purpose vehicle for the acquisition, known as TanQuid II. It was also important to MIIF and LMIF that if the add-on acquisition was successfully secured, the TanQuid II Interest would be under the same ownership as the TanQuid Interest.

Accordingly, with the negotiations for the Proposed TanQuid Disposal well progressed with LMIF, MIIF and LMIF agreed that in order to keep the TanQuid business and the add-on acquisition together as described in the preceding paragraph, MIIF would sell to LMIF its TanQuid II Interest.

They further agreed that if for any reason the Proposed TanQuid Disposal does not complete and the ownership of the TanQuid Interest remains with MIIF, the TanQuid II Interest (and therefore the add-on acquisition) would be transferred back to MIIF.

This would allow the TanQuid Interest and the interest in the add-on acquisition held through the TanQuid II Interest to remain under the same ownership.

Background

While MIIF was in negotiations with LMIF regarding the Proposed TanQuid Disposal, TanQuid II (whose entire limited partnership interest was held by MSHL) was also in discussions with IVG regarding a potential add-on acquisition. The discussions involved the acquisition of all the shares in the tank farm operator IVG-TL and the tank farm manager IVG-BF (jointly referred to as the "**Business**"). TanQuid II then made an offer to acquire the Business from IVG in August 2007.

In order to keep the TanQuid business and the Business together, MSHL agreed to sell the TanQuid II Interest to LMIF, and agreed that the TanQuid II Interest would be transferred to MIIF should the Proposed TanQuid Disposal not complete.

Details of TanQuid Add-on Acquisition

TanQuid II offered to buy the Business from IVG on 3 August 2007 for a purchase price of EUR 57.8 million, which comprises EUR 39.9 million of debt and EUR 17.9 million of equity, to be rolled forward at the official German basic interest rate *(Basiszinssatz)* plus 300 basis points per annum from 1 July 2007 to the date of completion. This discount rate was commercially negotiated with IVG. In view of the Proposed TanQuid Disposal, MSHL also agreed that it would sell its entire limited partnership interest in TanQuid II to LMIF.

On 28 August 2007, MSHL agreed to sell the TanQuid II Interest to LMIF for a cash consideration of EUR 0.6 million. The agreement also provided for an additional payment of EUR 1.0 million by LMIF to MIIF on completion of the acquisition of the Business. The sale was completed on 17 September 2007.

IVG accepted TanQuid II's offer on 27 September 2007 and the transfer of all the shares in the Business took place on 1 October 2007.

Implications of Non-Approval of the Proposed TanQuid Disposal

Should Shareholders not approve the Proposed TanQuid Disposal or completion of the TanQuid Sale and Purchase Agreement does not occur prior to 31 December 2007, TanQuid II will be returned to MIIF by LMIF on the terms set out below:

(a) MIIF would be required to repay to LMIF the amount of EUR 1.0 million it received from LMIF upon the completion of the acquisition of the Business; and

(b) LMIF shall require MIIF to purchase (i) all of the limited partnership interests in TanQuid II and (ii) the aggregate of all outstanding monies borrowed or raised pursuant to bonds, notes, loans or loan stock (including all interest accrued thereon) owed by TanQuid II to LMIF, its subsidiary and parent undertakings and subsidiary undertakings of its parent undertakings (the "**Loan Balance**"), on the date falling five business days (being a day other than a Saturday or Sunday or public holiday in England and Wales) after the date of the SGM (or in any event five days before 31 December 2007) (the "**TanQuid II Completion Date**").

The option price payable by MIIF would be equal to the aggregate of:

(1) EUR 0.6 million (plus interest accruing thereon in respect of the period from and including the date of completion of the sale of TanQuid II to and including the TanQuid II Completion Date at the rate of 14% per annum);

(2) the amount paid or contributed by LMIF to fund (either through shareholder debt or equity) TanQuid II in order for TanQuid II to complete the acquisition of the Business from IVG (plus interest accruing thereon in respect of the period from and including the date on which such amount was paid to and including the TanQuid II Completion Date at the rate of 14% per annum); and

(3) the Loan Balance,

which is estimated to be EUR 19.0 million.

Should the Proposed TanQuid Disposal be approved by Shareholders, then both the TanQuid Interest and the TanQuid II Interest will be owned by LMIF.

The two transactions are not inter-conditional in that completion of one is not a pre-condition to the completion of the other. However, the objective of these arrangements is to ensure that TanQuid and TanQuid II are held by the same owner.

A copy of MIIF's announcement is available on the website of the SGX-ST at www.sgx.com.

LMIF

Macquarie Bank and Lombard Odier Darier Hentsch & Cie established the LODH Macquarie Infrastructure Fund Limited Partnership ("**LMIF**") in March 2007. LMIF is a limited partnership registered in Jersey and has been established as an open-ended investment fund for the principal purpose of co-investing in infrastructure and infrastructure-like assets on a world-wide basis. The investment manager of LMIF is a subsidiary of Macquarie Bank.

LMIF's offer does not require any additional environmental indemnification from MIIF for the period of MIIF's ownership. There were no environmental penalties or clean up costs during MIIF's ownership period. MIIF has obtained significant indemnifications in respect of environmental liabilities from the previous vendors relating to the period prior to its ownership.

3.2 Asset Value

MIIF and LMIF have jointly engaged Ernst & Young to undertake an independent indicative valuation of 100% of MSHL. As at 30 June 2007, the fair market value of 100% of MSHL was between EUR 81.2 million and EUR 92.3 million. The Independent Valuation Summary Letter relating to 100% of MSHL is set out in Appendix 3 of this Circular.

3.3 Gain on Disposal

Assuming that the Proposed TanQuid Disposal completes on 14 November 2007 as set out in paragraph 3.1 above, MIIF will receive net proceeds of approximately EUR 87.3 million, after deducting expected transaction costs of approximately EUR 0.7 million. The net proceeds from the Proposed TanQuid Disposal represent an excess of EUR 30.3 million over the acquisition price of EUR 57.0 million paid by MIIF to acquire its 100% interest in TanQuid in 2005 and its 100% interest in Petroplus in 2006.

3.4 Shareholders' Approval

As the Proposed TanQuid Disposal is in, or in connection with, the ordinary course of MIIF's business, Shareholders' approval is not required for the purposes of Chapter 10 of the Listing Manual.

LMIF is a fund to which a subsidiary of Macquarie Bank, MSAM (being an associate of MIMAL) has been appointed as investment manager. Accordingly, the Proposed TanQuid Disposal will be an interested person transaction for the purposes of Chapter 9 of the Listing Manual. As the TanQuid Sale Price payable to MIIF represents more than 5% of the Group's latest audited NTA of S$1.34 billion as at 31 December 2006, the Proposed TanQuid Disposal requires the approval of Shareholders in accordance with Chapter 9 of the Listing Manual.

The completion of the TanQuid II Sale and Purchase Agreement is not subject to Shareholders' approval as the consideration therefor of EUR 1.6 million (assuming completion of the acquisition of the Business) amounts to approximately 0.3% of the Group's latest audited NTA of S$1.34 billion as at 31 December 2006.

3.5 Principal Terms of the Proposed TanQuid Disposal

The TanQuid Sale and Purchase Agreement contains representations and warranties by MIIF with respect to such matters as authority and title, provides for the total liability of MIIF for breach of warranties to be limited to the TanQuid Sale Price and further provides that warranty claims must be brought to MIIF's notice no later than 18 months after completion of the Proposed TanQuid Disposal.

In addition, MIIF has agreed to indemnify LMIF in respect of certain costs and liabilities including certain tax-related payments which may be made by TanQuid to the German custom authorities and German income taxes arising pursuant to the TanQuid Sale and Purchase Agreement.

Further terms of the Proposed TanQuid Disposal are set out in paragraph 3.1 above.

3.6 Rationale for the Proposed TanQuid Disposal

The Audit Committee believes that the Proposed TanQuid Disposal is in the interests of MIIF and its minority Shareholders.

Key components of acquisition strategy completed

During MIIF's ownership, the following initiatives have been carried out:

— diversification of products handled and increased utilisation;

— sustained control of costs and capital expenditure;

— sustained meeting of operational forecasts; and

— de-risking of the asset due to successful integration of new assets.

The ability to introduce these changes was part of the investment proposal at the time of MIIF's investment. With the key components of the acquisition strategy for TanQuid now complete, there are limited further opportunities for earnings and distribution growth except through acquisition, which is counter to MIIF's aim of redeploying its capital base in Asia over time.

The revenue and EBITDA of TanQuid for the last three financial years ended 31 December 2006 are set out below:

Year ended 31 December	2004	2005	2006
Revenue (€ million)	58.1	58.7	61.5
EBITDA (€ million)	21.7	22.1	22.7

Valuation and Returns

Since MIIF acquired its 100% interest in TanQuid in 2005, TanQuid has performed in line with expectations. The offer price for TanQuid reflects this performance and equates to an EV/EBITDA[(1)] multiple of 9.7 times[(2)] based on the EBITDA for the 12 month period ended 31 December 2006. The sale price is within the independent valuation referred to in paragraph 3.2 above.

The sale of TanQuid will enable MIIF to realise an IRR of approximately 42% per annum[(3)] since its acquisition.

TanQuid	
MIIF Investment	2005
Invested Amount	S$114.4 million
Distributions to expected date of completion of the Proposed TanQuid Disposal (14 November 2007)	S$36.9 million
TanQuid Sale Price[(*)]	S$183.1 million
Expected transaction costs	(S$1.4 million)
Total Expected Realised Value	**S$218.5 million**
Expected Realised Value Multiple on Investment	*1.9x*
MIIF IRR at sale to LMIF	42%

Note:

(*) Assuming that the Proposed TanQuid Disposal proceeds to completion on 14 November 2007 as set out in paragraph 3.1 above.

MIIF Strategy

The sale of TanQuid is in line with MIIF's commitment to maximise value for Shareholders and, over time, to progressively move its portfolio of assets to be more focused on Asian infrastructure. MIIF continues to develop a pipeline of Asian investment opportunities. MIIF anticipates that such acquisitions will allow MIIF to maintain and grow dividends over time.

Repayment of Debt

Upon receipt, the net proceeds from the sale of MIIF's 100% interest in TanQuid of S$181.7 million (assuming that the sale completes on 14 November 2007) will be used to partially repay outstanding

(1) Equity valuation of EUR 89 million; Net debt of EUR 130.1 million; EBITDA of EUR 22.7 million.

(2) Calculated based on local currency (€).

(3) Calculated based on local currency (€)

loan amounts of S$209.3 million as at the Latest Practicable Date. The remaining terms of the facilities are up to July 2009. The loans are provided by United Overseas Bank Limited and a syndicate of banks led by DBS Bank Ltd and Australia and New Zealand Banking Group Limited.

The balance of the proceeds, if any, will be invested by MIIF over time in line with its investment objectives and policies, and only realised gains may be used for working capital and general corporate purposes, including the payment of dividends. The repayment of the drawn debt balance on the facilities will increase MIIF's flexibility to pursue further investment opportunities in Asia.

Speed and Certainty of Sale

LMIF has undrawn investor equity commitments available to fund the transaction. Further, opening up the sale to a competitive process would not guarantee a successful outcome and would be likely to delay the completion of the proposed disposal of TanQuid.

LMIF, whose investment manager is a subsidiary of Macquarie Bank, would be exempt from seeking German Federal Cartel Office ("**FCO**") merger clearance. This requirement would be a legal requirement for all third party acquirers and would be a condition precedent to completion, thereby adding an element of uncertainty and risk to any third party bid. In the event the FCO determines that a further detailed review is required, this would likely result in process delays. In addition, there is no guarantee that FCO clearance for the Proposed TanQuid Disposal will be obtained for a sale to a third party.

Finally, TanQuid's current debt arrangements require a prepayment of existing facilities upon a change of control. There is no certainty that the change in control clause will be waived by the lenders. If it is not waived, TanQuid (and hence the third party purchaser) would be required to repay the existing debt and source for alternative funding options, thereby increasing, the time taken for a sale to a third party and the uncertainty for the sale to complete as potential third party purchasers might have difficulty sourcing alternative funding options.

Alternatively, a third party purchaser may require the waiver of the change in control provision in the existing debt arrangements as a condition precedent to its purchase of TanQuid, which will then increase the uncertainty of completion. This does not apply in the case of a sale to an affiliate of MIIF, thus the sale to LMIF would not trigger this requirement.

3.7 Financial Effects of the Proposed TanQuid Disposal

The financial effects of the Proposed TanQuid Disposal on the share capital, NTA per Share of the Group, the earnings per Share of the Group and the Gearing at MIIF level, based on the unaudited financial information of the Group for the six months ended 30 June 2007 are set out below. The unaudited financial information of the Group for the six months ended 30 June 2007 was reviewed by MIIF's auditors. The impact on the NTA per Share of the Group, the earnings per Share of the Group and the Gearing at MIIF level assuming the Proposed TanQuid Disposal is completed on 14 November 2007 will not be materially different from the financial effects currently presented in this Circular.

(a) Share Capital

The Proposed TanQuid Disposal would not have any impact on the issued and paid-up share capital of MIIF.

(b) NTA

Assuming that the Proposed TanQuid Disposal had been completed on 30 June 2007, the effect on the NTA per Share of the Group as at 30 June 2007 would be as follows:

	Prior to the Proposed TanQuid Disposal	After the Proposed TanQuid Disposal
NTA (S$ million)	1,487	1,622
NTA per Share (cents)	116.20	126.74

MIIF's 100% interest in TanQuid has been recorded at its net asset value in the consolidated financial statements of the Group. In computing the effect on NTA, it is assumed that the Proposed TanQuid Disposal occurred on 30 June 2007 and its consideration is based on MIIF's valuation of its 100% interest in TanQuid as at 30 June 2007 reflected in the unaudited financial report of the Group for the six months ended 30 June 2007.

(c) Earnings

Assuming that the Proposed TanQuid Disposal had been completed on 1 January 2007, the effect on the earnings per Share of the Group for the six months ended 30 June 2007 would be as follows:

	Prior to the Proposed TanQuid Disposal	After the Proposed TanQuid Disposal
Profit after tax (S$'000)	195,550	209,850
Weighted average number of Shares on issue ('000)	1,279,687	1,279,687
Earnings per Share (cents)	15.28	16.40

The increase in profit available for distribution is the net impact of the following assumptions:

(i) consideration for the Proposed TanQuid Disposal is based on its value as at 1 January 2007 of S$122.9 million. This, compared to the NTA of TanQuid as at 1 January 2007 of S$69.8 million, results in a gain on disposal of S$53.1 million;

(ii) goodwill for TanQuid of S$33.9 million will be taken to reduce the gain on disposal; and

(iii) reversal of TanQuid's profit for the six months ended 30 June 2007 of S$4.9 million.

(d) Gearing at MIIF level

Assuming that the Proposed TanQuid Disposal had been completed on 30 June 2007, the Proposed TanQuid Disposal would have the following impact on MIIF's Gearing level:

	Prior to the Proposed TanQuid Disposal	After the Proposed TanQuid Disposal
Total borrowings (S$'000)	289,054	104,560
Total assets (S$'000)	1,913,695	1,729,201
Gearing (%)	15.10	6.05

The above table is prepared using the following assumptions:

(i) the consideration for the Proposed TanQuid Disposal is based on its value as at 30 June 2007; and

(ii) the consideration of S$184.5 million is used to partially repay loan facilities as at 30 June 2007 of S$289.1 million. The loans are provided by United Overseas Bank Limited and a syndicate of banks led by DBS Bank Ltd and Australia and New Zealand Banking Group Limited.

(e) Events subsequent to Balance Sheet Date

Please refer to the paragraph 2.7(e) above for further details.

3.8 Financial Effects of both the Proposed BA Disposal and the Proposed TanQuid Disposal

The financial effects of both the Proposed BA Disposal and the Proposed TanQuid Disposal on the share capital, NTA per Share of the Group, the earnings per Share of the Group and the Gearing at MIIF level, based on the unaudited financial information of the Group for the six months ended 30 June 2007 are set out below. The unaudited financial information of the Group for the six months ended 30 June 2007 was reviewed by MIIF's auditors. The impact on the NTA per Share of the Group, the earnings per Share of the Group and the Gearing at MIIF level assuming the Proposed BA Disposal and the Proposed TanQuid Disposal are completed on 14 November 2007 will not be materially different from the financial effects currently presented in this Circular.

(a) Share Capital

The Proposed BA Disposal and the Proposed TanQuid Disposal would not have any impact on the issued and paid-up share capital of MIIF.

(b) NTA

Assuming that both the Proposed BA Disposal and the Proposed TanQuid Disposal had been completed on 30 June 2007, the effect on the NTA per Share of the Group as at 30 June 2007 would be as follows:

	Prior to the Proposed BA Disposal and the Proposed TanQuid Disposal	After the Proposed BA Disposal and the Proposed TanQuid Disposal
NTA (S$ million)	1,487	1,622
NTA per Share (cents)	116.20	126.74

The Proposed BA Disposal would not have any impact on the NTA per Share of the Group as at 30 June 2007 as the consideration for the Proposed BA Disposal is based on MIIF's valuation of its 3.2% effective interest in Brussels Airport as at 30 June 2007 reflected in the unaudited financial report of the Group for the six months ended 30 June 2007. MIIF's 3.2% effective interest has not been consolidated in the financial statements of the Group.

MIIF's 100% interest in TanQuid has been recorded at its net asset value in the consolidated financial statements of the Group. In computing the effect on NTA, it is assumed that the Proposed TanQuid Disposal occurred on 30 June 2007 and its consideration is based on MIIF's valuation of its 100% interest in TanQuid as at 30 June 2007 reflected in the unaudited financial report of the Group for the six months ended 30 June 2007.

(c) Earnings

Assuming that both the Proposed BA Disposal and the Proposed TanQuid Disposal had been completed on 1 January 2007, the effect on the earnings per Share of the Group for the six months ended 30 June 2007 would be as follows:

	Prior to the Proposed BA Disposal and the Proposed TanQuid Disposal	After the Proposed BA Disposal and the Proposed TanQuid Disposal
Profit after tax (S$'000)	195,550	203,454
Weighted average number of Shares on issue ('000)	1,279,687	1,279,687
Earnings per Share (cents)	15.28	15.90

The increase in profit after tax is the net result of the following assumptions:

(i) investments are marked to market as at 1 January 2007 where they are assumed to be sold; hence no accounting profit or loss is recorded from the Proposed BA Disposal for the six months ended 30 June 2007;

(ii) reversal of gain on revaluation of Brussels Airport of S$6.4 million for the six months ended 30 June 2007;

(iii) consideration for the Proposed TanQuid Disposal is based on its value as at 1 January 2007 of S$122.9 million. This, compared to the net asset value (excluding goodwill) of TanQuid as at 1 January 2007 of S$69.8 million, results in a gain on disposal of S$53.1 million;

(iv) goodwill for the Group of S$33.9 million will be taken to reduce the gain on disposal; and

(v) reversal of TanQuid's profit for the six months ended 30 June 2007 of S$4.9 million.

(d) Gearing at MIIF level

Assuming that both the Proposed BA Disposal and the Proposed TanQuid Disposal had been completed on 30 June 2007, the effect on the Gearing level of MIIF as at 30 June 2007 would be as follows:

	Prior to the Proposed BA Disposal and the Proposed TanQuid Disposal	After the Proposed BA Disposal and the Proposed TanQuid Disposal
Total borrowings (S$'000)	289,054	—
Total assets (S$'000)	1,913,695	1,918,780
Gearing (%)	15.10	n/a

The above table is prepared using the following assumptions:

(i) the consideration for the Proposed BA Disposal is based on the value of the 3.2% effective interest in Brussels Airport as at 30 June 2007 of S$109.6 million;

(ii) the consideration for the Proposed TanQuid Disposal is based on its value as at 30 June 2007 of S$184.5 million; and

(iii) the total consideration of S$294.1 million is used to repay loan facilities as at 30 June 2007 of S$289.1 million. The loans are provided by United Overseas Bank Limited and a syndicate of banks led by DBS Bank Ltd and Australia and New Zealand Banking Group Limited.

(e) Events subsequent to Balance Sheet Date

Please refer to the paragraph 2.7(e) above for further details.

4 THE PROPOSED ADOPTION OF THE SCRIP DIVIDEND SCHEME

4.1 Rationale and purpose

The Scrip Dividend Scheme, when adopted, will provide an opportunity for Shareholders to make an election to receive Dividend in the form of Shares instead of cash.

The Scrip Dividend Scheme will enable Shareholders to acquire additional Shares without having to incur transaction or other related costs. MIIF will also benefit from the participation by Shareholders in the Scrip Dividend Scheme as, to the extent that Shareholders elect to receive Dividend in the form of Shares, the cash which would otherwise be payable by way of Dividend may be retained to fund the continuing growth and expansion of MIIF and its subsidiaries. The retention of cash and the issue of Shares in lieu of cash Dividend under the Scrip Dividend Scheme will also enlarge MIIF's share capital base and strengthen its working capital.

4.2 Election to receive dividends in the form of Shares in lieu of cash

Under the proposed Scrip Dividend Scheme, whenever a Dividend has been announced and the Directors have determined that in respect of their entitlement to the Dividend, Shareholders may elect to receive New Shares credited as fully paid, each Shareholder has the following two choices in respect of the Dividend:

(a) a cash Dividend on his existing Shares held; or

(b) an allotment of New Shares in lieu of the cash amount of the Dividend entitlement credited as fully paid.

An announcement will be made by MIIF as soon as practicable following the determination by the Directors that the Scrip Dividend Scheme is to apply to a particular Dividend, and in any event, by no later than the Market Day immediately following the Books Closure Date for the Dividend.

A Shareholder will, at the discretion of MIIF, receive one or more notices of election ("**Notices of Election**") in relation to all of his holding of Shares. A Shareholder may only elect to receive New Shares in respect of all and not part of his entitlement to the Qualifying Dividend to which each Notice of Election relates. A Shareholder may also make a permanent election to receive New Shares in respect of his entitlement to all future Qualifying Dividends to which each Notice of Election relates. Where a permanent election has been made, the participating Shareholder may, by giving the appropriate notice (in accordance with paragraph 6 of the Scrip Dividend Scheme Statement set out in Appendix 4 of this Circular), cancel his participation and withdraw from the Scrip Dividend Scheme at any time. The cancellation of a permanent election by a Shareholder would not preclude him from making a fresh permanent election, should he wish to do so, at a later time.

A Shareholder receiving two or more Notices of Election may elect to receive New Shares in respect of his entitlement to which one Notice of Election relates and decline to receive New Shares in respect of his entitlement to which any other Notice of Election relates. A Shareholder receiving two or more Notices of Election and wishing to receive New Shares in respect of all of his entitlement to the Qualifying Dividend in respect of all his holding of Shares must complete all the Notices of

Election received by him and return the completed Notices of Election to MIIF and/or CDP, as the case may be. A Shareholder who is a Depository Agent (as defined in the Companies Act, Chapter 50 of Singapore) or nominee company of a bank, merchant bank, stockbroker or other financial institution, holding Shares as custodian, may, at the discretion of the Directors, be allowed to make an election to participate in the Scrip Dividend Scheme in respect of part only of the Shares to which each Notice of Election received by it relates.

For the purpose of calculating the number of New Shares to be allotted to Shareholders, the issue price of a New Share shall not be set at more than 10% discount to the arithmetic average of the daily volume weighted average price of a Share on the SGX-ST during the period of 15 Market Days immediately following the Books Closure Date (the "**Price Determination Period**"). In the event that there is no trading in the Shares during the Price Determination Period, the issue price of a New Share shall not exceed the average of the last dealt prices of a Share on the SGX-ST for each of the Market Days during a period to be determined by the Directors prior to the announcement of the application of the Scrip Dividend Scheme to such Dividend. In no event, however, will Shares be allotted under the Scrip Dividend Scheme at less than the par value of Shares.

Consequently (where the Scrip Dividend Scheme applies to a particular Dividend), it will not be possible until after the close of business on the relevant Books Closure Date to determine the exact number of New Shares to which Shareholders electing to receive New Shares will be entitled. An announcement will be made setting out the issue price of a New Share to be used in the calculation of Shareholders' entitlements to the New Shares in respect of such Dividend. In addition, Notices of Election will be sent to Shareholders after the Books Closure Date. A further announcement will be made on the last day (which will be a date to be fixed by the Directors) on which Shareholders will be entitled to make their election of the above alternatives, in respect of such Qualifying Dividend.

The New Shares to be issued pursuant to the Scrip Dividend Scheme will rank *pari passu* in all respects with the existing Shares then in issue save only as regards to participation in the Qualifying Dividend which is the subject of the election (including the right to make any election pursuant to the Scrip Dividend Scheme) or any other distribution, bonuses or rights paid, made, declared or announced prior to, or contemporaneous with, the payment or declaration of the Qualifying Dividend which is the subject of the election, unless the Directors shall otherwise specify.

Fractional entitlements to the New Shares will be rounded up to the nearest whole number or otherwise dealt with in such manner as the Directors may deem fit in the interests of MIIF and as may be acceptable to the SGX-ST.

Shareholders will receive the Qualifying Dividend in cash if they do not explicitly elect to participate in the Scrip Dividend Scheme according to its provisions. Shareholders need not take any action if they wish to receive their entitlement to the Qualifying Dividend in cash.

4.3 Availability of the Scrip Dividend Scheme

Notwithstanding any provisions of the Scrip Dividend Scheme, if at any time after the Directors have determined that the Scrip Dividend Scheme shall apply to any Dividend and before the allotment and issue of New Shares in respect of such Dividend, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Scrip Dividend Scheme in respect of such Dividend, the Directors may, in their absolute discretion and as they deem fit in the interest of MIIF and without assigning any reason therefor, cancel the application of the Scrip Dividend Scheme to such Dividend. In such event, the Dividend shall be paid in cash to Shareholders in the usual way.

4.4 Eligibility

All Shareholders are eligible to participate in the Scrip Dividend Scheme, subject to the restrictions on Overseas Shareholders, more particularly described in paragraph 4.6 below, and further subject to the requirement that such participation by the Shareholder will not result in a breach of any other restriction on such Shareholder's holding of Shares which may be imposed by any statute, law or regulation in force in Bermuda, Singapore or any other relevant jurisdiction, as the case may be, or the bye-laws of MIIF.

4.5 Obligation to extend take-over offer

The attention of Shareholders is drawn to Rule 14 of the Singapore Code on Take-overs and Mergers ("**Rule 14**"). In particular, a Shareholder should note that he may be under an obligation to extend a take-over offer for MIIF if:

(a) he acquires, by participating in the Scrip Dividend Scheme in relation to any Dividend, whether at one time or different times, Shares which (taken together with Shares held or acquired by him or persons acting in concert with him) carry 30% or more of the voting rights of MIIF; or

(b) he, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights of MIIF and he, or any person acting in concert with him, acquires in any period of six months additional Shares carrying more than 1% of the voting rights of MIIF by participating in the Scrip Dividend Scheme in relation to any Dividend.

4.6 Shareholders resident outside Singapore

For practical reasons and to avoid any violation of securities laws applicable in countries outside Singapore where Shareholders may have their registered addresses, the Scrip Dividend Scheme may, at the discretion of the Directors, not be offered to Overseas Shareholders. No Overseas Shareholder shall have any claims whatsoever against MIIF as a result of the Scrip Dividend Scheme not being offered to such Overseas Shareholder. If the Directors have decided not to offer the Scrip Dividend Scheme to Overseas Shareholders, Overseas Shareholders who wish to be eligible to participate in the Scrip Dividend Scheme should provide an address in Singapore for the service of notices and documents by notifying MIIF c/o M & C Services Private Limited, 138 Robinson Road #17-00, The Corporate Office, Singapore 068906 (or such other address as may be announced by MIIF from time to time), or, if the Overseas Shareholder is a Depositor, CDP, at 4 Shenton Way #02-01, SGX Centre 2, Singapore 068807 (or such other address as may be announced by MIIF from time to time) **not later than five Market Days prior to the Books Closure Date**. Depositors should note that all correspondence and notices will be sent to their last registered addresses with CDP.

4.7 Listing on the SGX-ST

Approval in-principle has been granted by the SGX-ST for the listing of and quotation for the New Shares to be issued pursuant to the Scrip Dividend Scheme. Such approval is not to be taken as an indication of the merits of the proposed Scrip Dividend Scheme, the New Shares or MIIF.

It is expected that share certificates will be posted at the risk of those entitled or, as the case may be, the New Shares will be credited to the relevant securities accounts of Depositors, on or about the payment date for the Dividend, which shall be a date not less than 30 Market Days but not more than 35 Market Days after the Books Closure Date for that Dividend.

4.8 Taxation

MIIF takes no responsibility for the taxation liabilities of Shareholders who choose to participate in the Scrip Dividend Scheme or the tax consequences of any election made by Shareholders. As individual circumstances and laws may vary considerably, specific taxation advice should be obtained by Shareholders if required. MIIF accepts no responsibility for the correctness or accuracy of any information as to tax liability contained in the Scrip Dividend Scheme Statement set out in Appendix 4 of this Circular.

Without prejudice to the foregoing paragraph, as a general indication, however, it is understood that as the date hereof, under the income tax legislation in Singapore, a Shareholder's tax liability will not alter, nor is there any advantage to be gained, by reason of having elected to participate in the Scrip Dividend Scheme.

Under present Bermuda law, there is no Bermuda withholding tax on dividends or other distributions payable by MIIF.

4.9 Odd lots

A Shareholder who elects to receive New Shares in lieu of the cash amount of the Qualifying Dividend may receive such New Shares in odd lots.

4.10 Modification and termination

The Scrip Dividend Scheme may be modified or terminated at any time by the Directors as they deem fit on giving notice in writing to all Shareholders, except that no modification shall be made without the prior written approval of SGX-ST.

In the case of a modification, the Scrip Dividend Scheme will continue as modified in relation to each Shareholder who has made a permanent election under the Scrip Dividend Scheme unless and until MIIF, or as the case may be, CDP (where the Shareholder is a Depositor) receives a notice of cancellation in respect of a Notice of Election submitted by the Shareholder.

4.11 General

It should be noted that the grant of the right to participate in the Scrip Dividend Scheme to elect to receive New Shares in lieu of cash in respect of any Qualifying Dividend is made to all Shareholders, including Directors, Substantial Shareholders and other interested persons of MIIF who hold Shares, subject to the restrictions referred to in paragraph 4.4 above.

In connection with the proposed issue of New Shares in lieu of a cash Dividend, the Directors consider it appropriate to obtain the approval of Shareholders to the allotment and issue of such number of New Shares as may be required to be issued pursuant to the election by Shareholders under the Scrip Dividend Scheme.

The terms and conditions of the Scrip Dividend Scheme are set out in Appendix 4 of this Circular.

5. EXISTING INTERESTED PERSON TRANSACTIONS

Details of the existing interested person transactions entered into by MIIF in the current financial year (excluding those pursuant to MIIF's general mandate for advisory fees and transactions below S$100,000) and up to the Latest Practicable Date are set out below:

	Interested Person	Nature of Transaction	Value of transaction *(S$ million)*
1.	MIMAL	Manager of MIIF	10.7[(1)]
2.	MSAM/MLAH	Counterparty to the total return swap with respect to MIIF's 2.1% economic interest in MAp	186.1[(2)]
3.	MIMAL/ Macquarie Bank	Counterparty to the total return swaps in relation to MIIF's 55% economic interest in CAC	145.5[(3)]
4.	LMIF	Sale by MIIF of TanQuid II	1.2
5.	MAp	Proposed sale by MIIF of its 3.2% effective interest in Brussels Airport announced on 29 August 2007	109.6[(4)]
6.	LMIF	Proposed sale by MIIF of its 100% interest in TanQuid announced on 17 September 2007	184.5[(5)]

Notes:

(1) Base management fee and performance fee payable to MIMAL for the six months ended 30 June 2007, including performance fee payable in Shares.

(2) MIIF's valuation of the relevant total return swap as at 30 June 2007.

(3) MIIF's valuation of the relevant total return swaps as at 30 June 2007.

(4) Subject to adjustments as announced.

(5) Subject to adjustments as announced.

These transactions have been subject to internal control procedures established by Macquarie Bank which apply to its specialist funds activities including infrastructure funds such as MIIF as disclosed in the Prospectus. In addition, the total return swaps in relation to MIIF's 55% economic interest in CAC were approved by Shareholders at the special general meeting of MIIF held on 10 November 2005.

In particular, to ensure that such transactions are undertaken on normal commercial terms and are not prejudicial to the interests of MIIF or its minority Shareholders,

— related party transactions with Macquarie Group Members are clearly identified and undertaken on arm's length terms;

— only the Independent Directors make decisions about transactions which involve Macquarie Group Members as counterparties. Directors associated with the Macquarie Bank Group do not vote on related party matters where they have a conflict of interest; and

— all related party transactions are tested by reference to whether they meet market standards. In particular, fee schedules and mandate terms and conditions are subject to third party expert review to ensure that they are on arm's length terms.

The Independent Directors will review related party transactions and interested person transactions between MIIF and any affiliate of the Manager relating to mandates for advisory services, acquisitions or sales, co-investment decisions or the provision of any other services to MIIF as and when they arise.

5.1 MIMAL — Manager of MIIF

As disclosed in the Prospectus, MIMAL is appointed as the sole and exclusive manager of MIIF, pursuant to a Management Agreement dated 19 May 2005.

MIMAL is part of the Macquarie Bank Group's IB Funds division. MIIF expects that the Macquarie Bank Group's infrastructure advisory division will be an important source of acquisition opportunities and financial and acquisition advice.

Under the terms of the Management Agreement, MIIF will compensate MIMAL throughout the term of the Management Agreement for managing its investments through base fees and performance fees. These fees are payable each quarter ending 31 March, 30 June, 30 September and 31 December each year.

Any changes to the fee structure under the Management Agreement will be subject to the approval of the Shareholders by resolution in general meeting and for the purposes of such approval, MIMAL and any other Macquarie Group Member will abstain from voting on the relevant resolution.

5.2 MSAM/MLAH — Counterparty to the total return swap with respect to MIIF's interest in MAp

As disclosed in the Prospectus, MIIF entered into a total return swap with MSAM, a wholly-owned subsidiary of Macquarie Bank, in respect of S$142.0 million of stapled securities of MAp on 28 April 2005. Subsequent to the exercise of the over-allotment option on 2 June 2005, the interests in the stapled securities of MAp increased by S$14.7 million to S$156.7 million. The total return swap has given MIIF the economic benefits and the risks of economic ownership of the underlying securities of MAp. Through such total return swap, MIIF currently has an interest in 35,470,000 stapled securities in MAp or a 2.1% direct interest in MAp.

On 29 August 2007, MSAM absolutely and unconditionally transferred its obligations under the total return swap to MLAH.

5.3 MIMAL/Macquarie Bank — Counterparty to the total return swaps with respect to MIIF's interest in CAC

On 21 October 2005, MIIF entered into three total return swaps with Macquarie Group Members, to indirectly obtain a 55.0% indirect interest in CAC with an aggregate value of S$164.9 million. The balance of 45% is held by Macquarie Power & Infrastructure Income Fund. The three total return swaps were (i) a total return swap between 2083875 Ontario Inc. and MIIF, in relation to which MIIF had unconditionally assigned its rights to Macquarie Bank, (ii) a total return swap between MIMAL and MIIF, in relation to which MIMAL had unconditionally assigned its rights to Macquarie Bank, and (iii) a total return swap between Macquarie Bank and MIIF. MIMAL holds the assets under the total return swap in its own right, rather than on trust for the benefit of another entity or in its capacity as the manager of MIIF.

6. OPINION OF DELOITTE IN RELATION TO THE PROPOSED BA DISPOSAL AND THE PROPOSED TANQUID DISPOSAL

6.1 Specific advice regarding the Proposed BA Disposal

Deloitte has been appointed as the independent financial adviser (the "**IFA**") in relation to the Proposed BA Disposal. Based on the considerations set out in its letter to the Independent Directors in relation to the Proposed BA Disposal dated 18 October 2007 (the "**BA IFA Letter**"), the IFA is of the view that the Proposed BA Disposal is on normal commercial terms and is not prejudicial to the interests of MIIF and its minority Shareholders. The BA IFA Letter is reproduced and attached as Appendix 5 of this Circular.

6.2 Specific advice regarding the Proposed TanQuid Disposal

Deloitte has also been appointed as the IFA in relation to the Proposed TanQuid Disposal. Based on the considerations set out in its letter to the Independent Directors in relation to the Proposed TanQuid Disposal dated 18 October 2007 (the "**TanQuid IFA Letter**"), the IFA is of the view that the Proposed TanQuid Disposal is on normal commercial terms and is not prejudicial to the interests of MIIF and its minority Shareholders. The TanQuid IFA Letter is reproduced and attached as Appendix 6 of this Circular.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

7.1 Directors

As at the Latest Practicable Date, the interests of the Directors in the Shares as recorded in the Register of Directors' Shareholdings are as follows:

	Number of Shares			
Director	Direct Interest	%	Deemed Interest	%
John Stuart Hugh Roberts	250,000	0.02	—	—
Heng Chiang Meng	1,000,000	0.08	—	—
Robert Andrew Mulderig	170,000	0.01		
Michael David Hamer	170,000	0.01	—	—

7.2 Substantial Shareholders

As at the Latest Practicable Date, the interests of the Substantial Shareholders (as defined herein) of MIIF as recorded in the Register of Substantial Shareholders are as follows:

	Number of Shares			
Substantial Shareholder	Direct Interest	%	Deemed Interest	%
Macquarie Bank Group[(1)]	—		169,934,610	13.3
Abu Dhabi Investment Authority	125,000,000	9.7	—	—
Capital Research & Management Company	83,170,000	6.5	—	—

Note:

(1) The deemed interest of the Macquarie Bank Group comprises 106,776,610 Shares held by MIMAL (which includes the 2,764,856 Shares issued to MIMAL as the performance fee payable for the three month period from 1 April 2007 to 30 June 2007), 7,832,423 Shares held by Macquarie Investment Management Limited, 49,281,577 Shares held by Macquarie Alternative Investments Limited, 160,000 Shares held by Macquarie Fund Adviser LLC and 5,884,000 Shares held by Macquarie Bank.

Save as disclosed above, none of the Directors or Substantial Shareholders have any interest, direct or indirect, in the Proposed BA Disposal, the Proposed TanQuid Disposal or the proposed adoption of the Scrip Dividend Scheme.

8. RECOMMENDATIONS

8.1 On the Proposed BA Disposal

Based on the opinion of the IFA (as set out in the BA IFA Letter) and taking into consideration the price, the rationale and the mechanics of the Proposed BA Disposal, including whether a competitive tender process should be undertaken, Mr Robert Andrew Mulderig, Mr Michael

David Hamer and Mr Heng Chiang Meng, being the Independent Directors, believe that the Proposed BA Disposal is based on normal commercial terms and is not prejudicial to the interests of MIIF and its minority Shareholders. Accordingly, the Independent Directors recommend that Shareholders vote at the SGM in favour of the ordinary resolution relating to the Proposed BA Disposal.

8.2 On the Proposed TanQuid Disposal

Based on the opinion of the IFA (as set out in the TanQuid IFA Letter) and taking into consideration the price, the rationale and the mechanics of the Proposed TanQuid Disposal, including whether a competitive tender process should be undertaken, Mr Robert Andrew Mulderig, Mr Michael David Hamer and Mr Heng Chiang Meng, being the Independent Directors, believe that the Proposed TanQuid Disposal is based on normal commercial terms and is not prejudicial to the interests of MIIF and its minority Shareholders. Accordingly, the Independent Directors recommend that Shareholders vote at the SGM in favour of the ordinary resolution relating to the Proposed TanQuid Disposal.

8.3 On the adoption of the Scrip Dividend Scheme

For the reasons set out in paragraph 4.1 above, the Directors are of the opinion that the adoption of the Scrip Dividend Scheme is in the best interests of MIIF. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution in respect of the adoption of the Scrip Dividend Scheme to be proposed at the SGM.

9. SPECIAL GENERAL MEETING

The SGM, notice of which is set out on pages 64 to 65 of this Circular, will be held at 2.00 p.m. on 9 November 2007 at Orchard Ballroom 3, Orchard Hotel Singapore, 442 Orchard Road, Singapore 238879 for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the notice of SGM.

Resolutions 1, 2 and 3 are not inter-conditional and Shareholders may vote to approve any or all of the resolutions.

10. ABSTENTIONS FROM VOTING

10.1 Proposed BA Disposal

Mr John Stuart Hugh Roberts who is an alternate director on the board of MAML and an executive of the Manager and the Macquarie Bank Group will abstain from voting his Shares, if any, at the SGM in respect of Resolution 1, being the ordinary resolution relating to the Proposed BA Disposal.

MIMAL and its associates, including Macquarie Investment Management Limited, Macquarie Alternative Investments Limited, Macquarie Fund Adviser LLC and Macquarie Bank, being Interested Persons (as such term is used in the Listing Manual), will abstain from voting their Shares, if any, at the SGM in respect of Resolution 1, being the ordinary resolution relating to the Proposed BA Disposal.

10.2 Proposed TanQuid Disposal

Mr John Stuart Hugh Roberts who is an executive of the Manager and the Macquarie Bank Group will abstain from voting his Shares, if any, at the SGM in respect of Resolution 2, being the ordinary resolution relating to the Proposed TanQuid Disposal.

MIMAL and its associates, including Macquarie Investment Management Limited, Macquarie Alternative Investments Limited, Macquarie Fund Adviser LLC and Macquarie Bank, being Interested Persons (as such term is used in the Listing Manual), will abstain from voting their Shares, if any, at the SGM in respect of Resolution 2, being the ordinary resolution relating to the Proposed TanQuid Disposal.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

You will find enclosed in this Circular the notice of SGM and a Proxy Form.

If a Shareholder is unable to attend the SGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Singapore Share Transfer Agent, M & C Services Private Limited at 138 Robinson Road, #17-00 The Corporate Office, Singapore 068908 not later than 2.00 p.m. on 7 November 2007, being 48 hours before the time fixed for the SGM. The completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting in person if he so wishes.

Persons who have an interest in the approval of the Proposed BA Disposal and/or the Proposed TanQuid Disposal must decline to accept appointment as proxies unless the Shareholder concerned has specific instructions in his Proxy Form which leaves no doubt as to the manner in which his votes are to be cast in respect of Resolution 1 and Resolution 2, respectively, in the notice of SGM.

12. DIRECTORS' RESPONSIBILITY STATEMENTS

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are fair and accurate in all material respects as at the date of this Circular and there are no material facts the omission of which would make any statement in this Circular misleading in any material respect. Where information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Circular.

13. CONSENTS

Each of KPMG, E&Y and Deloitte has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, respectively, the Independent Valuation Summary Letter relating to the valuation of MABSA, the Independent Valuation Summary Letter relating to the valuation of MSHL, both the BA IFA Letter and the TanQuid IFA Letter, and all references thereto, in the form and context in which they are included in this Circular.

14. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection during normal business hours at Allen & Gledhill LLP at One Marina Boulevard #28-00, Singapore 018989 from the date of this Circular up to and including the date falling three months after the date of this Circular:

(a) the Brussels Airport Sale and Purchase Agreement;

(b) the TanQuid Sale and Purchase Agreement;

(c) the Brussels Airport Valuation Report; and

(d) the TanQuid Valuation Report.

Yours faithfully
For and on behalf of
Macquarie International Infrastructure Fund Limited

John Stuart Hugh Roberts
Chairman

Heng Chiang Meng
Deputy Chairman

Appendix 1

THE EXISTING ASSETS

Arqiva

Arqiva is one of only two TV broadcast transmission operators in the UK and is UK's second largest independent wireless site leasing provider. Arqiva provides transmission services to TV and radio broadcasters, site leasing to mobile phone and other wireless telecommunication companies, and radio services to police, fire and ambulance services.

Arqiva announced the acquisition of National Grid Wireless ("**NGW**") for £2.5 billion on 4 April 2007. NGW is a fully owned member of the Arqiva group and is the other substantial provider of national broadcast transmission services for television and radio broadcasters. NGW also hosts wireless sites for major mobile network operators, and owns and operates two Freeview digital TV multiplexes.

Brussels Airport

Brussels Airport is the largest airport in Belgium. It is located approximately 12 kilometres north-east from the city centre of Brussels. Over the period 1988 to 2006, traffic at Brussels Airport increased from 7.0 million to 16.7 million passengers, representing a compound annual average growth rate of 5.0%. The catchment area has a population of approximately 10.4 million people. Brussels is one of the major political centres of Europe, resulting in a stable business passenger base. Brussels Airport has high quality facilities and significant property development potential with a land area similar to the UK's Heathrow Airport.

Canadian Aged Care

CAC is a portfolio of long-term care ("**LTC**") homes in Ontario, Canada and is the third largest aged care provider in Ontario. Operating since 1973, CAC provides 3,269 beds across 19 LTC homes, one retirement home and one independent living facility.

Changshu Xinghua Port

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 has over 200 million people and is one of China's fastest growing industrial regions. This hinterland and Shanghai, China's epicentre for commerce, forms CXP's platform for future growth.

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

Macquarie European Infrastructure Fund

MEIF is a limited partnership that was established to acquire and manage a diversified portfolio of infrastructure and related assets in developed European countries. MEIF announced its financial close in June 2005, which was considerably oversubscribed after reaching its cap of €1.5 billion in investor commitments.

Macquarie Airports

MAp is a globally diversified airport fund and one of the world's largest private airport owners and operators. Listed on the ASX, MAp is a top 50 ASX company with a market capitalisation of approximately A$7 billion and approximately 35,000 investors, including some of the world's largest pension funds. MAp is an active long-term investor with a uniquely integrated management model, bringing together both financial and operational expertise. This approach to airport ownership has seen increased choice, improved facilities and better levels of service for more than 115 million passengers who use MAp's airports each year, and increasing returns to MAp security holders.

TanQuid

TanQuid is a tank storage business and is the largest independent provider of storage services in Germany, backed by significant long-term contracts with the German strategic oil reserves association (Erdolbevorratungsverband).

On 31 July 2006, MIIF acquired a portfolio of eight German tank storage assets from Petroplus International B.V. A number of the new sites are equipped to store higher value chemical products, in addition to offering a complementary geographic fit with existing TanQuid sites.

In total, MIIF's tank storage business now consists of 19 tank storage sites strategically located close to major industry centres throughout Germany with a capacity of approximately 3.3 million cubic metres.

Taiwan Broadband Communications

TBC is one of the four leading 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 networks located in northern and central Taiwan. It is the sole licensee and provider of cable television services in these regions.

TBC's core business is the provision of basic television services and it is the key broadcaster as well as a primary source of local news in each of its licence areas. It also offers value-added services such as cable telephony, broadband internet and digital television programming, providing viewers with improved picture and sound quality and extra channels.

These services represent significant opportunities for growth and enable TBC to become a key provider of integrated entertainment and communications services to the 1.0 million homes reached by its cable network.

Other revenues are derived from installation, news, channel leasing and advertising services.

Appendix 2

INDEPENDENT VALUATION SUMMARY LETTER — BRUSSELS AIRPORT

The Directors
Macquarie International Infrastructure Fund Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

18 October 2007

Dear Sirs

Independent valuation summary letter — Brussels Airport

1. Introduction

The Directors of Macquarie International Infrastructure Fund Limited (MIIF) and Macquarie Airports Limited (MAL) have jointly requested KPMG Corporate Finance (Aust) Pty Ltd (KPMG) to prepare a valuation of Macquarie Airports (Brussels) SA (MABSA) (Valuation) as at 30 June 2007 (Valuation Date). MABSA's sole asset is a 70 percent interest in a special purpose vehicle, Brussels Airport Holding SA/NV, which was recently established as part of a restructure to hold an investment in the Brussels Airport Company (Brussels Airport).

This letter has been prepared for inclusion in the circular to be sent to MIIF shareholders (the Circular) in relation to the proposed sale of MIIF's interest in MABSA (Proposed Transaction) and is a summary of the information contained in our full valuation report dated 18 October 2007 (the Report). Accordingly, this letter should be read in conjunction with the full text of the Report which is available for personal inspection by MIIF shareholders.

2. Terms of reference

KPMG has been jointly appointed by the Directors of MIIF and MAL to undertake a valuation of 100 percent of MABSA.

We are not expressing an opinion on the commercial merits and structure of the Proposed Transaction, nor are we providing any opinion, expressed or implied, as to the future trading prices of units in or the financial condition of MIIF. This letter and the Report are not intended to form the basis of any investment decision in MIIF and do not purport to contain all the information that may be necessary or desirable to fully evaluate the Proposed Transaction.

Our terms of reference only require us to provide a valuation of MABSA at the Valuation Date and do not require us to provide specific advice on legal, regulatory, accounting, property or taxation matters.

This letter and the Report are addressed strictly to the Board of Directors of MIIF and MAL and for the intended purpose as set out above and accordingly the Report as well as the Letter may not be used or relied upon in any other connection by, and are not intended to confer any benefit on, any other person (including without limitation the respective shareholders of MIIF).

In the course of our evaluation and for the purpose of preparing our opinion, we have held discussions with certain management of MAL, as operator of Brussels Airport, and we have examined information provided by them and reviewed other publicly available information, upon which our view is based.

We have not independently verified all such information provided or otherwise made available to us or relied upon by us as described above, whether written or verbal, and no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information.

KPMG' compensation is not contingent upon the reporting of a pre-determined value or direction in value that favours the cause of either MIIF or MAL, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

Our opinion is based upon prevailing market, economic, industry, monetary and other conditions and on the information made available to us as of the date of the Report. Such conditions may change significantly over a relative short period of time and we assume no responsibility to update, revise or reaffirm our opinion set out in this letter to reflect events or developments subsequent to the date of the Report.

3. Valuation methodology

We have arrived at the valuation of MABSA by discounting the projected cashflow streams to equityholders of MABSA using an appropriate discount rate.

The Valuation has been prepared on the basis of "Market Value" and determines the equity value of MABSA as at the Valuation Date. The generally accepted definition of "Market Value" (and that applied by us in forming our opinion) is the value as applied between a hypothetical willing vendor and a hypothetical willing buyer in an open market and with access to all relevant information.

Our valuation is based on various assumptions with respect to the operations of Brussels Airport and the funding of the Special Purpose Vehicle, including their respective present and future financial condition, dividend and debt repayment policies, business strategies and the environment in which they will operate in the future. These assumptions are based on the information we have been provided with and our discussions with the management of MAL, and reflect current expectations and views regarding future events and therefore, necessarily involve known and unknown risks and uncertainties. As the forecasts and projections as supplied to us are based upon assumptions about events and circumstances which have not yet transpired, KPMG cannot provide any assurance that the estimates will be representative of the results which will actually be achieved during the forecast period. In particular, we have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to any prospective financial information.

We have set out in the Report the key risk factors that, in our opinion, may have a material impact on the valuation of MABSA. It should be noted that it is not an exhaustive list of all risk factors.

4. Conclusion

In summary and as described in the Report, KPMG considers the valuation range for 100 percent of the equity of MABSA as at 30 June 2007 to be in the range of €1,041.5 million to €1,157.4 million.

Finally we note that an independent financial adviser has been engaged by MIIF and their report can be found in Appendix 5 of the Circular.

Yours faithfully

Ian Jedlin	Michael Jones
Executive Director	Director

Appendix 3

INDEPENDENT VALUATION SUMMARY LETTER — TANQUID

18 October 2007

The Board of Directors

Macquarie International Infrastructure Fund Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM 08
Bermuda

LODH Macquarie Infrastructure Fund L.P.
LODH Infrastructure Fund GP Limited
No. 1 Seaton Place, St Helier, Jersey
Channel Islands, JE4 8YJ

Dear Sirs,

INDEPENDENT VALUATION SUMMARY LETTER

1. INTRODUCTION

Ernst & Young ("**E&Y**") has been appointed by the Boards of Directors ("**Directors**") of Macquarie International Infrastructure Fund Limited ("**MIIF**") and LODH Macquarie Infrastructure Fund Limited ("**LMIF**") to undertake an independent indicative valuation of 100% of Macquarie Storage Holdings Ltd ("**MSHL**" or the "**Group**"), in connection with MIIF's intended sale of the shares of MSHL to LMIF (the "**Proposed Transaction**").

The valuation is to be determined at 30 June 2007 (the "**Valuation Date**").

Unless otherwise stated, words and expressions defined in the circular to Shareholders (the "**Circular**") in connection with the Proposed Transaction have the same meaning in this letter.

This letter has been prepared for the purposes of disclosure as an Appendix to the Circular and is a summary of the information contained in our full valuation report dated 18 October 2007 (the "**Report**"). Accordingly, this letter should be read in conjunction with the full text of the Report.

2. TERMS OF REFERENCE

The objective of this Letter is to provide an independent indicative valuation of 100% of MSHL.

Our views as set forth in this Letter are based on the prevailing market and economic conditions, and our analysis of the information provided to us as of the date of the Report. Accordingly, this Letter shall not take into account any event or condition which occur subsequent to the date of our Report.

We are not and were not involved in any aspect of the discussions and negotiations pertaining to the terms and conditions of the Proposed Transaction. It is not within our terms of reference to evaluate or comment on the rationale for, strategic, commercial or financial merits and/or risks of the Proposed Transaction, nor is it within our terms of reference to compare the relative merits of the Proposed Transaction vis-à-vis any alternative transactions that both MIIF and LMIF may consider in the future. As such, we do not express an opinion thereon. The assessment of the commercial and financial merits and/or risks of the Proposed Transaction are solely the responsibility of the Directors of MIIF and LMIF.

The scope of our engagement does not require us to express, and we do not express, a view on the future prospects of MIIF, LMIF and MSHL. We are, therefore, not expressing any view herein as to the prices at which the shares of MIIF may trade or on the future financial performance of MIIF and LMIF upon completion of the Proposed Transaction.

In the course of work, we have held discussions with the management of MIIF and MSHL. We have also examined and relied on information provided by them and reviewed other publicly available information. We have not independently verified all such information provided or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance. Nevertheless, the Directors have confirmed to us that to the best of their knowledge and belief, the information provided to us constitute a full and true disclosure, in all material respects, of all material facts relating to MSHL as required for the purposes of our valuation, and there is no material information the omission of which would make any of the information considered herein inaccurate, incomplete, or misleading in any material respect.

Our work will not be of the same nature as an audit, and will not constitute an audit. We will not, therefore, issue an audit opinion. Instead, our work will be in the nature of a review of the information provided to us, and discussions with members of management. Additionally, this analysis should not be construed as investment advice or a fairness opinion and should not be used as a basis to set a transaction price nor should it form the basis of any investment decision in MIIF. We assume no responsibility for the buyer or seller to negotiate a purchase or sale at the recommended value.

This Letter and the Report are addressed solely for the use and benefit of the Directors of MIIF and LMIF in connection with and for the purpose of their consideration of the Proposed Transaction, and accordingly may not be used or relied upon nor confer any benefit on, any other person (including without limitation, the respective shareholders of MIIF and LMIF). Any recommendations made by the Directors of MIIF and LMIF to the Shareholders shall remain the responsibility of the Directors.

3. VALUATION METHODOLOGY

The fair market valuation of MSHL has been performed in accordance with internationally accepted valuation practices and carried out for the purposes of the intended sale of MSHL from MIIF to LMIF.

Fair market value is generally defined as the amount at which an asset could be exchanged between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting in an arm's length transaction, in an open and unrestricted market.

In the course of our analysis, we were provided with information related to the structure, operation and financial performance of MSHL. We have relied upon this information in our analysis and in the preparation of the Report.

We have not independently verified the accuracy or completeness of the data provided and do not express an opinion or offer any form of assurance regarding its accuracy or completeness of such data and information. The estimates of earnings and cash flow data, to the extent they relate to the future, reflects the expectations of MIIF and MSHL as to the business prospects of the group and are solely for use in our valuation analysis and are not intended for use as forecasts or projections of future operations.

Furthermore, there will usually be differences between estimated and actual results because events and circumstances frequently do not occur as expected and those differences may be material.

4. CONCLUSION

In summary and as detailed in the Report, which should be read in conjunction with this letter to the Directors, we have assessed the fair market value of 100% of the MIIF shareholders participation in MSHL as at 30 June 2007 ranges to be approximately EUR 81.2 million to EUR 92.3 million. This is inclusive of the MIIF shareholders' loan of EUR 34.9 million.

Yours faithfully,

Ernst & Young
Singapore

Appendix 4

SCRIP DIVIDEND SCHEME STATEMENT

SCRIP DIVIDEND SCHEME STATEMENT

This Scrip Dividend Scheme Statement (the "**Statement**") contains the terms and conditions of the Macquarie International Infrastructure Fund Limited Scrip Dividend Scheme (the "**Scrip Dividend Scheme**") under which persons registered in the Register of Members of Macquarie International Infrastructure Fund Limited ("**MIIF**"), or, as the case may be, the Depository Register (as defined below) as the holders of fully paid ordinary shares in MIIF (the "**Members**") may elect to receive fully paid ordinary shares of par value S$0.01 each in the capital of MIIF (the "**Shares**") in lieu of the cash amount of any dividend (including any interim, final, special or other dividend) which is declared on the Shares held by them (after the deduction of any applicable income tax).

SUMMARY OF MAIN FEATURES

The Scrip Dividend Scheme provides Members with the option to elect to receive Shares in lieu of the cash amount of any dividend (including any interim, final, special or other dividend) (the "**Dividend**") declared on their holding of Shares (after the deduction of applicable income tax). Under the present law in Bermuda and Singapore, there are no brokerage, stamp duty or other transaction costs payable on Shares allotted and issued under the Scrip Dividend Scheme.

All Members are eligible to participate in the Scrip Dividend Scheme subject to the restrictions on Overseas Members (as defined below), more particularly described below. Members may elect to participate in respect of all and not part only of their holding of Shares to which each Notice of Election (as defined below) relates in respect of any Qualifying Dividend (as defined below) and may also make a permanent election to participate in respect of all their holding of Shares to which each Notice of Election relates for all future Qualifying Dividends. Members receiving more than one Notice of Election may elect to participate in respect of their holding of Shares to which one Notice of Election relates and elect not to participate in respect of their holding of Shares to which any other Notice of Election relates. Where a permanent election has been made, participating Members may cancel their participation and withdraw from the Scrip Dividend Scheme at any time, subject to giving appropriate notice in accordance with paragraph 13 of this Statement.

The directors of MIIF (the "**Directors**") may, in their absolute discretion, determine that the Scrip Dividend Scheme will apply to any particular Dividend. An announcement will be made by MIIF as soon as practicable following the determination by the Directors that the Scrip Dividend Scheme is to apply to a particular Dividend, and in any event, by no later than the next Market Day (as defined below) immediately following the Books Closure Date (as defined below) in respect of the particular Dividend. Unless the Directors have determined that the Scrip Dividend Scheme will apply to any particular Dividend, the Dividend concerned will be paid in cash to the Members in the usual manner.

Shares allotted and issued under the Scrip Dividend Scheme will rank *pari passu* in all respects with the Shares then in issue save only as regards participation in the Qualifying Dividend which is the subject of the election (including the right to make any election pursuant to the Scrip Dividend Scheme) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the Qualifying Dividend which is the subject of the election, unless the Directors shall otherwise specify.

Members participating in the Scrip Dividend Scheme will receive, at or about each dividend payment date, statements setting out, *inter alia*, the number of Shares allotted to them under the Scrip Dividend Scheme.

HOW TO PARTICIPATE

Participation in the Scrip Dividend Scheme is optional. A Member wishing to receive new Shares in respect of any Qualifying Dividend or to make a permanent election to receive new Shares in respect of all future Qualifying Dividends to which a Notice of Election received by him relates should complete the Notice of Election and return it to MIIF at the address indicated on the Notice of Election or, if the Member is a Depositor (as defined below), to CDP.

A Member receiving more than one Notice of Election and wishing to receive new Shares in respect of all of his entitlement to the Qualifying Dividend in respect of all of his holding of Shares or to make a permanent election to receive Shares in respect of all future Qualifying Dividends must complete all Notices of Election received by him and return the completed Notices of Election to MIIF and/or CDP, as the case may be.

To be effective in respect of any Qualifying Dividend to which a Notice of Election relates, such duly completed Notice of Election must be received by MIIF or (as the case may be) CDP no later than the date to be specified by the Directors in respect of that Qualifying Dividend.

TERMS AND CONDITIONS OF THE SCRIP DIVIDEND SCHEME

1. Establishment

The Scrip Dividend Scheme has been established by the Directors of MIIF.

2. Terms and Conditions

In these Terms and Conditions:

"Act" shall mean the Companies Act, Chapter 50 of Singapore;

"Books Closure Date" shall mean the date to be determined by the Directors on which the Register of Members of MIIF will be closed for the purpose of determining the entitlements of Members to a Dividend and is the day immediately preceding the first day of the Books Closure Period;

"Books Closure Period" shall mean the period to be determined by the Directors during which the Register of Members of MIIF will be closed for the purpose of determining the entitlements of Members to a Dividend;

"Bye-laws" shall mean the bye-laws of MIIF, as amended, supplemented or modified from time to time;

"CDP" shall mean The Central Depository (Pte) Limited;

the terms "Depositor", "Depository Agent" and "Depository Register" shall have the respective meanings ascribed to them in the Act;

"Market Day" shall mean a day on which the SGX-ST is open for trading in securities;

"Overseas Members" shall mean Members with registered addresses outside Singapore and who have not provided to MIIF or (as the case may be) CDP, not later than five Market Days prior to the Books Closure Date, addresses in Singapore for the service of notices and documents;

"Qualifying Dividend" shall mean a Dividend to which the Scrip Dividend Scheme applies, as determined by the Directors;

"Shares" shall mean ordinary shares of par value S$0.01 each in the capital of MIIF; and

"SGX-ST" shall mean Singapore Exchange Securities Trading Limited.

3. Eligibility

All Members are eligible to participate in the Scrip Dividend Scheme, subject to the restrictions on Overseas Members, more particularly described below, and further subject to the requirement that such participation by the Member will not result in a breach of any other restriction on such Member's holding of Shares which may be imposed by any statute, law or regulation in force in Bermuda, Singapore or any other relevant jurisdiction, as the case may be, or by the Bye-laws.

4. Members Resident Outside Singapore

For practical reasons and to avoid any violation of the securities laws applicable outside Singapore where Members may have their registered addresses, the Scrip Dividend Scheme may, at the discretion of the Directors, not be offered to Overseas Members. No Overseas Member shall have any claim whatsoever against MIIF as a result of the Scrip Dividend Scheme not being offered to such Overseas Members. If the Directors have decided not to offer the Scrip Dividend Scheme to Overseas Members, Overseas Members who receive or come to have in their possession this Statement and/or a Notice of Election may not treat the same as an invitation to them and are advised to inform themselves of, and to observe, any prohibitions and restrictions, and to comply with any applicable laws and regulations relating to the Scrip Dividend Scheme as may be applicable to them. Overseas Members who wish to be eligible to participate in the Scrip Dividend Scheme should provide an address in Singapore for the service of notices and documents by notifying MIIF, c/o M & C Services Private Limited, 138 Robinson Road #17-00, The Corporate Office, Singapore 068906 (or such other address as may be announced by MIIF from time to time) or, if the Overseas Member is a Depositor, CDP at 4 Shenton Way #02-01, SGX Centre 2, Singapore 068807 (or such other address as may be announced by MIIF from time to time) **not later than five Market Days prior to the Books Closure Date.** Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP.

5. Level of Participation

A Member may elect to participate in the Scrip Dividend Scheme (the "**Participating Member**") in respect of all and not part only of his holding of Shares as at each Books Closure Date to which each Notice of Election received by him relates for a Qualifying Dividend (the "**Participating Shares**"), except in the case of a Member who is a Depository Agent or nominee company of a bank, merchant bank, stockbroker or other financial institution, holding Shares as custodian, such Depository Agent or nominee company may, at the discretion of the Directors, be allowed to make an election to participate in the Scrip Dividend Scheme in respect of part only of the Shares to which each Notice of Election received by it relates.

6. Permanent Election

Any permanent election to participate in the Scrip Dividend Scheme is personal to the Participating Member. A Member may make a permanent election in the manner set out below for participation in respect of all future Qualifying Dividends, and where a permanent election in respect of all his holding of Shares to which a Notice of Election relates has been made, unless and until a notice of cancellation, in such form as the Directors may approve (the "**Notice of Cancellation**"), in relation to such Notice of Election is received by MIIF or (as the case may be) CDP as provided below, the permanent election shall be effective for all future Qualifying Dividends in respect of such Notice of Election. A notice of cancellation of participation in the Scrip Dividend Scheme in any other form will not be accepted by MIIF or (as the case may be) CDP.

7. Notice of Election to Participate

MIIF will, at its discretion, send to each Member one or more notices of election (in such form as the Directors may approve) (the "**Notice of Election**"). To be effective in respect of any Qualifying Dividend (unless a permanent election has already been made), a Notice of Election must be received by MIIF or, in the case of a Notice of Election being submitted by a Member who is a Depositor, by CDP, by the date to be specified by the Directors in respect of that Qualifying Dividend. A Member receiving two or more Notices of Election and wishing to receive Shares in respect of all of his entitlement to the Qualifying Dividend in respect of all his holding of Shares must complete all the Notices of Election received by him and return the completed Notices of Election to MIIF and/or CDP, as the case may be. A Notice of Election to participate in the Scrip Dividend Scheme in any other form will not be accepted by MIIF or (as the case may be) CDP.

If a Notice of Election in relation to a permanent election is received after the date specified by the Directors for any particular Qualifying Dividend, the Notice of Election will not be effective for that Qualifying Dividend, but will be effective for all future Qualifying Dividends in respect of such Notice of Election. A Notice of Election (other than in relation to a permanent election) in respect of any Qualifying Dividend shall not, upon its receipt by MIIF or (as the case may be) CDP, be withdrawn or cancelled.

A permanent election made in the Notice of Election will remain in force until cancelled in the manner provided below or until it becomes ineffective as provided in these Terms and Conditions. A Member receiving more than one Notice of Election and wishing to make a permanent election in respect of all his holding of Shares must complete all Notices of Election received by him and return the Notice of Election to MIIF and/or CDP, as the case may be.

8. Extent of Application of Scrip Dividend Scheme to each Dividend

The Directors may determine, in their absolute discretion, in respect of any Dividend, whether the Scrip Dividend Scheme shall apply to such Dividend. If, in their absolute discretion, the Directors have not determined that the Scrip Dividend Scheme is to apply to a particular Dividend, such Dividend shall be paid in cash to Members notwithstanding their elections under the Scrip Dividend Scheme.

9. Share Entitlement

By electing to participate in the Scrip Dividend Scheme in respect of any Notice of Election received by him, a Member elects in respect of any Qualifying Dividend (after the deduction of any applicable income tax) to which such Notice of Election relates to receive Shares in lieu of the cash amount of the Qualifying Dividend.

In respect of any Qualifying Dividend, the number of Shares to be allotted and issued to the Participating Member electing to receive Shares in respect of a Notice of Election shall be calculated in accordance with the following formula:

$$N = \frac{S \times D}{V}$$

Where:

N = is the number of new Shares to be allotted and issued as fully paid to the Participating Member in respect of such Notice of Election.

S = is the number of Participating Shares held by the Participating Member as at the Books Closure Date for which such Notice of Election relates.

D = is the Qualifying Dividend (after deduction of applicable income tax) to which such Notice of Election relates.

V = is the issue price of a Share, which shall for the purpose of calculating the number of new Shares to be allotted and issued as fully paid to Participating Members, pursuant to the Scrip Dividend Scheme, be an amount in Singapore dollars determined by the Directors (the "**Relevant Amount**"), which Relevant Amount shall not be set at more than 10% discount to the arithmetic average of the daily volume weighted average price of a Share on the SGX-ST during the period of 15 Market Days immediately following the Books Closure Date (the "**Price Determination Period**"). In the event that there is no trading in the Shares during the Price Determination Period, the Relevant Amount shall not exceed the average of the last dealt prices of a Share on the SGX-ST, for each of the Market Days during a period to be determined by the Directors prior to the announcement of the application of the Scrip Dividend Scheme to such Dividend.

The Directors shall have full power to make such provisions as they think fit where the number of Shares calculated in accordance with the above formula becomes attributable in fractions, including provisions whereby fractional entitlements are rounded up to the nearest whole number or otherwise dealt with in such manner as they may deem fit in the interests of MIIF and which is/are acceptable to the SGX-ST.

In no event, however, will Shares be allotted under the Scrip Dividend Scheme at less than the par value of the Shares. Should the issue price, as determined above (being represented in the formula as "**V**") be less than the par value of the Shares, the Scrip Dividend Scheme will not operate for that Dividend and the Dividend will be paid in cash in the usual manner to all Participating Members.

10. Terms of Allotment

All Shares allotted under the Scrip Dividend Scheme will be allotted as fully paid.

All such Shares shall rank *pari passu* in all respects with all existing Shares then in issue save only as regards participation in the Qualifying Dividend which is the subject of the election (including the right to make any election pursuant to the Scrip Dividend Scheme) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the Qualifying Dividend which is the subject of the election, unless the Directors shall otherwise specify.

Participating Members who are Depositors and who have supplied their CDP account numbers in the Notice of Election will have the Shares credited to their securities accounts maintained with CDP.

In other cases, certificates for the Shares will be dispatched to Members, at their risk, at their registered addresses in Singapore.

11. Statement to Participants

MIIF will send to each Participating Member on or about each payment date for the Dividend which shall be a date not less than 30 Market Days but not more than 35 Market Days after the Books Closure Date for that Dividend, or such other period as the Directors may decide, a statement detailing, *inter alia*:

(a) the number of the Participating Shares held by the Participating Member as at the relevant Books Closure Date; and

(b) the number of Shares to be allotted to the Participating Member under the Scrip Dividend Scheme.

12. Cost to the Participants

Under the present law in Bermuda and Singapore, brokerage or other transaction costs and Singapore stamp duty will not be payable by Participating Members on Shares allotted under the Scrip Dividend Scheme.

13. Cancellation of Participation

A Participating Member may at any time cancel his permanent election to participate in the Scrip Dividend Scheme in relation to any Notice of Election by completing and returning to MIIF or (as the case may be) CDP, a Notice of Cancellation in such form as the Directors may approve (a notice of cancellation of participation in the Scrip Dividend Scheme in any other form will not be accepted by MIIF or, as the case may be, CDP) in relation to such Notice of Election. To be effective in respect of any Qualifying Dividend, the Notice of Cancellation must be received by MIIF or, as the case may be, CDP, by the date to be specified by the Directors for that Qualifying Dividend, failing which the Notice of Cancellation will not be effective for that Qualifying Dividend but will be effective for all future Qualifying Dividends in respect of such Notice of Election.

If a Participating Member, who is an individual, dies, any permanent election to participate in the Scrip Dividend Scheme by that Member will cease upon receipt by MIIF or, if that Member is a Depositor, by CDP, of notice of the death acceptable to MIIF or, as the case may be, CDP, or at such later date as the Directors in their discretion, upon request from the personal representative(s) of the deceased Participating Member, may determine. If the personal representative(s) of the deceased Member wish(es) to participate in the Scrip Dividend Scheme in respect of any Qualifying Dividend or in respect of all future Qualifying Dividends in relation to the Shares forming part of the estate of the deceased Member, the relevant Notices of Election must be submitted by such personal representative(s) in accordance with these Terms and Conditions.

If a Participating Member becomes bankrupt or, in the case where the Participating Member is a company, is wound up, any permanent election to participate in the Scrip Dividend Scheme by that Member will cease upon receipt by MIIF or, if that Member is a Depositor, by CDP of notice of the bankruptcy or, as the case may be, the winding up.

14. Cancellation of Application of the Scrip Dividend Scheme

Notwithstanding any provision in these Terms and Conditions, if at any time after the Directors have determined that the Scrip Dividend Scheme shall apply to any particular Dividend and before the allotment and issue of Shares in respect of that Dividend, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Scrip Dividend Scheme in respect of such Dividend, the Directors may, at their absolute discretion and as they may deem fit in the interest of MIIF and without assigning any reason therefor, cancel the application of the Scrip Dividend Scheme to the Dividend. In such event, the Dividend shall be paid in cash to Members in the usual manner.

15. Modification and Termination of the Scrip Dividend Scheme

The Scrip Dividend Scheme may be modified or terminated at any time by the Directors as they deem fit on giving notice in writing to all Members, except that no modification shall be made without the prior written approval of the SGX-ST.

In the case of a modification, the Scrip Dividend Scheme will continue as modified in relation to each Member who has made a permanent election under the Scrip Dividend Scheme unless and until MIIF or, if the Member is a Depositor, CDP, receives a Notice of Cancellation in respect of a Notice of Election submitted by such Participating Member, from the Participating Member.

16. Governing Law

This Statement, the Scrip Dividend Scheme and the Terms and Conditions thereof shall be governed by, and construed in accordance with, the laws of Singapore.

LISTING ON SGX-ST

The Shares allotted under the Scrip Dividend Scheme have been accepted for listing by the SGX-ST and will be quoted upon completion of allotment procedures. However, the SGX-ST accepts no responsibility for any statement in this Statement.

TAXATION

MIIF takes no responsibility for the taxation liabilities of Participating Members or the tax consequences of any election made by Members. As individual circumstances and laws may vary considerably, specific taxation advice should be obtained by Members if required.

MIIF takes no responsibility for the correctness or accuracy of any information as to taxation liability set out in this Statement.

Without prejudice to the foregoing paragraph, as a general indication, however, it is understood that as at the date of this Statement, under the income tax legislation in Singapore, a Member's tax liability will not alter, nor is there any advantage to be gained, by reason of having elected to participate in the Scrip Dividend Scheme.

Under present Bermuda law, there is no Bermuda withholding tax on dividends or other distributions payable by MIIF.

INCOME TAX

MIIF will deduct all income tax required to be deducted from the Qualifying Dividends in accordance with applicable law. Certificates of income deductions will be sent to Participating Members in the usual manner.

OTHER ITEMS

The Shares are offered on the terms and conditions set out in this Statement and in the applicable provisions of the Bye-laws. There are no other terms other than those implied by law or set out in publicly registered documents.

ENQUIRIES

Enquiries about any aspect of the Scrip Dividend Scheme should be directed to:

Macquarie International Infrastructure Fund Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM 08
Bermuda

or

Macquarie International Infrastructure Fund Limited
c/o M & C Services Private Limited
138 Robinson Road #17-00
The Corporate Office
Singapore 068906

Appendix 5

IFA LETTER TO THE INDEPENDENT DIRECTORS IN RELATION TO THE PROPOSED BA DISPOSAL

DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD
(Company Registration Number 200200144N)
6 Shenton Way #32-00
DBS Building Tower Two
Singapore 068809

18 October 2007

The Independent Directors
Macquarie International Infrastructure Fund Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM 08
Bermuda

Copied to:
Macquarie Infrastructure Management (Asia) Pty Limited, Singapore Branch
23 Church Street
#11-11 Capital Square
Singapore 049481

Dear Sirs,

PROPOSED DISPOSAL OF MACQUARIE INTERNATIONAL INFRASTRUCTURE FUND LIMITED'S 3.2% EFFECTIVE INTEREST IN BRUSSELS AIRPORT

*For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 22 October 2007 to the shareholders of Macquarie International Infrastructure Fund Limited (the "**Circular**")*

1 INTRODUCTION

On 29 August 2007, Macquarie International Infrastructure Fund Limited ("**MIIF**") announced that it had entered into a sale and purchase agreement (the "**Brussels Airport Sale and Purchase Agreement**") with MAp, pursuant to which it will dispose of its 3.2% effective interest in Brussels Airport to MAp. The disposal will involve the sale by MIIF of its 4.58% interest in MABSA (which owns 70% of TBAC) to MAp for a cash consideration of EUR 52.9 million which is equal to MIIF's valuation of its 3.2% effective interest in Brussels Airport as at 30 June 2007 adjusted to reflect that valuation rolled forward to the date of completion of the Proposed BA Disposal, at a discount rate of 11.16% per annum and adjusted for distributions paid by MABSA subsequent to 30 June 2007 and prior to such date of completion (the "**BA Sale Price**").

As the Proposed BA Disposal is in, or in connection with, the ordinary course of MIIF's business, Shareholders' approval is not required for the purposes of Chapter 10 of the Listing Manual.

However, as MAp is managed and advised by associates (as defined in the Listing Manual) of MIMAL which is regarded by the SGX-ST as MIIF's interested person for the purposes of Chapter 9 of the Listing Manual, the Proposed BA Disposal will be an interested person transaction. As the BA Sale Price represents more than 5% of the Group's latest audited NTA of S$1.34 billion as at 31 December 2006, the Proposed BA Disposal requires the approval of Shareholders in accordance with Chapter 9 of the Listing Manual.

We, Deloitte & Touche Corporate Finance Pte Ltd ("**DTCF**"), have been appointed as independent financial adviser to the Independent Directors in respect of the Proposed BA Disposal. This letter, which sets out our evaluation for the Independent Directors in respect of this engagement, is an integral part of the Circular.

2 TERMS OF REFERENCE

Our responsibility is to provide our opinion as to whether the Proposed BA Disposal is on normal commercial terms and will not be prejudicial to the interests of MIIF and its minority Shareholders.

We were neither a party to the negotiations entered into, in relation to the Proposed BA Disposal, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into these transactions.

We do not, by this letter or otherwise, advise or form any judgement on the strategic, commercial or financial merits or risks of the Proposed BA Disposal. All such evaluations, advice, judgements or comments remain the sole responsibility of the Directors and their advisers. We have however drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion.

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of MIIF. We do not express any view as to the price at which the Shares may trade upon completion of the Proposed BA Disposal nor on the future value, financial performance or condition of MIIF after the Proposed BA Disposal.

It is also not within our terms of reference to compare the merits of the Proposed BA Disposal to any alternative transactions that were or may have been available to MIIF. Such comparison and consideration remain the responsibility of the Directors, the Manager and their advisers.

We have relied upon the assurances of the Directors who have accepted full responsibility for the accuracy and completeness of the information provided to us. The Directors have confirmed to us that to the best of their knowledge, information and belief, all material information available to them in connection with the Proposed BA Disposal have been disclosed to us and that such information constitutes full and true disclosure of all material information relating to such transactions and that there is no other information the omission of which would cause any of the information disclosed to us or relied on by us in making our recommendation to be inaccurate, incomplete, untrue or misleading in any material respect. We have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular have been reasonably made after due and careful enquiry. Accordingly, no representation or warranty (whether express or implied) is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information. We have nonetheless made reasonable enquiries and used our judgement in assessing such information and have found no reason to doubt the reliability of such information.

We have not made any independent evaluation or appraisal of the assets and liabilities (including, without limitation, the real properties) of MIIF or Brussels Airport. We have been furnished with the valuation report prepared by KPMG in relation to the valuation of MABSA.

Our views are based on market, economic, industry, monetary and other conditions (where applicable) prevailing on and our analysis of the information made available to us as at the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion, factors or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or factors or assumptions contained herein. Shareholders should take note of any announcements relevant to their considerations of the Proposed BA Disposal which may be released by the Manager after the Latest Practicable Date.

MIIF has been separately advised by the Manager and by its own legal adviser in the preparation of the Circular other than this letter. We have had no role or involvement and have not provided any advice whatsoever in the preparation, review and verification of the Circular other than this letter. Accordingly, we take no responsibility for, and express no views, whether express or implied, on the contents of the Circular except as for this letter.

Our opinion in relation to the Proposed BA Disposal as set out under Section 5 of this letter should be considered in the context of the entirety of our advice. While a copy of this letter may be reproduced in the Circular, MIIF and the Manager may not reproduce, disseminate or quote this letter or any part thereof for any purpose, other than for the purpose stated herein, without our prior written consent in each instance.

We have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder. As Shareholders will have different investment objectives, we advise the Independent Directors to recommend that any Shareholder who may require specific advice in relation to his or her specific investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

3 DETAILS OF THE PROPOSED BA DISPOSAL

3.1 BA Sale Price

Under the Brussels Airport Sale and Purchase Agreement, MIIF will divest its 4.58% interest in MABSA (which owns 70% of TBAC) to MAp for a cash consideration of EUR 52.9 million. The BA Sale Price is equal to MIIF's valuation of S$109.6 million (or EUR 52.9 million based on an exchange rate of S$1.0:EUR 0.482) for its 3.2% effective interest in Brussels Airport as at 30 June 2007 adjusted to reflect that valuation rolled forward to the date of completion of the Proposed BA Disposal, at a discount rate of 11.16% per annum and adjusted for distributions paid by MABSA subsequent to 30 June 2007 and prior to such date of completion. The consideration was arrived at on a willing seller and willing buyer basis. KPMG provided a valuation of MABSA at 30 June 2007 and this valuation implied a value for MIIF's 3.2% effective interest in Brussels Airport via its 4.58% interest in MABSA of between EUR 47.7 million and EUR 53.0 million. MIIF's valuation of its 3.2% effective interest in Brussels Airport via its 4.58% interest in MABSA at 30 June 2007 is within this range.

3.2 MAp

MAp currently has major interests in four airports worldwide and holds the majority share in Brussels Airport of approximately 54% (through its 77% share in MABSA). As the major shareholder in Brussels Airport and one of the key global airport owners, MAp is considered to be very well positioned to offer a competitive price to MIIF among the various institutions investing in the airport sector.

3.3 Principal Terms

The Brussels Airport Sale and Purchase Agreement contains representations and warranties by MIIF with respect to such matters as authority and title, provides for the maximum aggregate liability of MIIF in respect of claims in contract, tort or pursuant to the Companies Act 1981 (Bermuda) to not exceed the BA Sale Price and further provides that MIIF shall not be liable for any special, indirect and consequential loss.

4 EVALUATION OF THE PROPOSED BA DISPOSAL

In reaching our recommendation in respect of the Proposed BA Disposal, we have given due consideration to the following factors:

(i) Rationale for the Proposed BA Disposal;

(ii) Valuation of Brussels Airport by MIIF;

(iii) Valuation of MABSA by KPMG;

(iv) Financial effects of the Proposed BA Disposal;

(v) Comparison of ratings implied by the BA Sale Price with comparable companies;

(vi) Comparison of ratings implied by the BA Sale Price with comparable transactions; and

(vii) Selected other relevant factors.

4.1 Rationale for the Proposed BA Disposal

The Audit Committee has set out the rationale for the Proposed BA Disposal in paragraph 2.6 of the Circular. We recommend that Shareholders read this paragraph of the Circular carefully. We summarise below the key points relevant to the consideration of the Proposed BA Disposal:

- **Key components of acquisition strategy completed**

  MIIF has introduced changes to take the business to a level of higher stability, which was part of the investment proposal at the time of MIIF's investment. MABSA is 100% controlled by Macquarie managed funds and is the majority owner of Brussels Airport. The other Macquarie managed funds have similar investment objectives to MIIF. Brussels Airport is managed by the IB Funds division of Macquarie Bank in accordance with these objectives. With the key components of the acquisition strategy for Brussels Airport now complete, including the recently announced refinancing, this is an appropriate time to realise the value uplift in MIIF's investment.

- **Valuation and Returns**

  Since MIIF acquired its 3.2% effective interest in Brussels Airport in 2005, Brussels Airport has performed strongly. The offer price for Brussels Airport reflects this performance and equates to an EV/EBITDA[(1)] multiple of 14.8 times[(2)] for the 12 month period ended 31 December 2006. The sale price is in the upper end of the independent valuation referred to in paragraph 4.3 below.

  The BA Sale Price of S$105.9 million (assuming the Proposed BA Disposal proceeds to completion on 14 November 2007) is S$34.2 million (or 47.7%) higher than MIIF's initial investment in Brussels Airport of S$71.7 million.

  The sale of Brussels Airport will enable MIIF to realise an IRR of approximately 44% per annum[(3)] since its acquisition.

- **MIIF Strategy**

  The sale of Brussels Airport is in line with MIIF's commitment to maximise value for Shareholders and, over time, to progressively move its portfolio of assets to be more focused on Asian infrastructure. MIIF continues to develop a pipeline of Asian investment opportunities. MIIF anticipates that such acquisitions will allow MIIF to maintain and grow dividends over time.

- **Repayment of Debt**

  MIIF will use the sale proceeds to partially repay the drawn balance on its debt facilities, which will increase MIIF's flexibility to pursue further investment opportunities in Asia.

- **Speed and Certainty of Sale**

  MAp is proposing a cash sale, with funding already in place, anticipated to be complete by November 2007. This provides for low transaction risk and will ensure that MIIF receives proceeds within a short time frame.

4.2 Valuation of Brussels Airport by MIIF

Based on information disclosed in MIIF's financial statements for the financial year ended 31 December 2006, MIIF marks to market all of its investments in its stand-alone accounts. The value of the listed investments is based on the closing price of each security on the last trading day in the quarter. The value of the unlisted investments are derived based on detailed discounted cash flow financial models that are developed to calculate the value for which the asset could be sold to a willing buyer under normal circumstances. Discounted cash flow is the process of estimating future cash flows that are expected to be generated by an asset and discounting these cash flows to their present value by applying an appropriate discount rate. The discounted

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(1) Equity valuation of EUR 1.6 billion; Net debt of EUR 1.1 billion; EBITDA of EUR 183.1 million.

(2) Calculated based on local currency (€).

(3) Calculated based on local currency (€).

cash flow method is a generally accepted methodology for valuing infrastructure assets and the basis upon which market participants have derived valuations for such transactions.

We note that the BA Sale Price of EUR 52.9 million is consistent with MIIF's valuation of its 3.2% effective interest in Brussels Airport of S$109.6 million (EUR 52.9 million, based on an exchange rate of S$1 : EUR0.482) as at 30 June 2007, as set out in MIIF's unaudited financial results for the six months period ended 30 June 2007.

4.3 Valuation of MABSA by KPMG

MIIF and MAp have jointly engaged KPMG to undertake an independent valuation of MABSA as at 30 June 2007. The independent valuation summary letter prepared by KPMG is attached as Appendix 2 of the Circular. We recommend that Shareholders read Appendix 2 of the Circular carefully.

The salient points we highlight from the Independent Valuation Summary Letter are as follows:

(i) the valuation has been prepared on the basis of "Market Value" and determines the equity value of MABSA as at 30 June 2007, where market value is defined as the value as applied between a hypothetical willing vendor and a hypothetical willing buyer in an open market and with access to all relevant information;

(ii) the methodology used for valuation of MABSA is the discounted cash flow analysis, which involves discounting forecast cashflows using an appropriate discount rate. We consider that this methodology is appropriate in the circumstances of the valuation and we also consider the discount rate used by KPMG to be reasonable; and

(iii) KPMG has arrived at a valuation range for 100% equity of MABSA as at 30 June 2007 of between EUR 1,041.5 million and EUR 1,157.4 million.

We note that, the valuation range for 100% equity of MABSA as at 30 June 2007 arrived at by KPMG as stated above, implies a valuation range for MIIF's 4.58% interest in MABSA (or 3.2% effective interest in Brussels Airport) of between EUR 47.7 million and EUR 53.0 million. The BA Sale Price of EUR 52.9 million is at the upper end of the range of values for MIIF's 3.2% effective interest in Brussels Airport, implied by KPMG's valuation of 100% equity of MABSA.

4.4 Financial effects of the Proposed BA Disposal

(a) NTA

Assuming that the Proposed BA Disposal had been completed on 30 June 2007, the Proposed BA Disposal would not have had any impact on the NTA per share of the Group as at 30 June 2007. This is because the consideration for the Proposed BA Disposal is based on MIIF's valuation of its 3.2% effective interest in Brussels Airport as at 30 June 2007 reflected in the unaudited financial report of the Group for the six months ended 30 June 2007. MIIF's 3.2% effective interest has not been consolidated in the financial statements of the Group.

(b) Earnings

Assuming that the Proposed BA Disposal had been completed on 1 January 2007, the effect on the earnings per Share of the Group for the six months ended 30 June 2007 would be as follows:

	Prior to the Proposed BA Disposal	After the Proposed BA Disposal
Profit after tax (S$'000)	195,550	189,152
Weighted average number of Shares on issue ('000)	1,279,687	1,279,687
Earnings per Share (cents)	15.28	14.78

The reduction in earnings per Share from the Proposed BA Disposal is the net result of the following assumptions:

(i) investments are marked to market up till 1 January 2007; hence no accounting profit or loss is recorded from the Proposed BA Disposal; and

(ii) reversal of gain on revaluation of Brussels Airport for the 6 months ended 30 June 2007.

On the basis of the assumptions set out above, we note that the earnings per Share of the Group decreases 0.50 cents (3.27%) for the six months ended 30 June 2007 from 15.28 cents per Share before the Proposed BA Disposal to 14.78 cents per Share following the Proposed BA Disposal.

(c) Gearing at MIIF level

Assuming that the Proposed BA Disposal had been completed on 30 June 2007, the Proposed BA Disposal would have the following impact on MIIF's Gearing level:

	Prior to the Proposed BA Disposal	After the Proposed BA Disposal
Total borrowings (S$'000)	289,054	179,409
Total assets (S$'000)	1,913,695	1,804,050
Gearing (%)	15.10	9.94

The above table is prepared using the following assumptions:

(i) the consideration for the Proposed BA Disposal is based on the value of the 3.2% effective interest in Brussels Airport as at 30 June 2007; and

(ii) the consideration of S$109.6 million is used to partially repay loan facilities as at 30 June 2007 of S$289.1 million. The loans are provided by United Overseas Bank Limited and a syndicate of banks led by DBS Bank Ltd and Australia and New Zealand Banking Group Limited.

On the basis of the assumptions set out above, we note that gearing for MIIF has decreased 5.16% for the six months ended 30 June 2007 from 15.10% before the Proposed BA Disposal to 9.94% following the Proposed BA Disposal.

4.5 Comparison of ratings implied by the BA Sale Price with comparable companies

We have benchmarked the BA Sale Price of EUR 52.9 million for MIIF's 3.2% effective interest in Brussels Airport by generating selected valuation statistics for the Brussels Airport implied by the financial terms of the BA Sale Price and compared those statistics with those companies which, in our opinion and after consultation with the Directors and the management of MIIF and the Manager, are broadly comparable to the Brussels Airport (the "**Comparable Companies**").

We have taken into consideration the unique nature of the airport industry and highlight that there is/are no company or companies or businesses listed globally which may be considered truly comparable to Brussels Airport in terms of size of operations, composition of business activities, asset base, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, future prospects and other relevant criteria. **As a result, any comparisons drawn can serve only as an illustrative guide.**

The selected valuation statistics of the Comparable Companies are based upon their closing prices on the Latest Practicable Date while those of Brussels Airport are as implied in the financial terms of the BA Sale Price. Such comparisons are affected by differences in their accounting policies. Our analysis has not attempted to adjust for such differences.

The following is the list of Comparable Companies, together with a brief description of their principal activities:

Company	Principal Activities	Financial Year Ended	Market Capitalisation	Revenue	Profit After Tax and Minority Interests
			(EUR millions)		
Flughafen Wien AG ("**Flughafen Wien**")	Manages, maintains, and operates the Vienna International Airport and the Voslau Airfield in Austria. The company offers terminal services, air-side and land-side cargo handling, and the leasing of store, restaurant and hotel airport building space to third party operators and businesses	31 Dec 2006	1,616.8	477.3	76.8
Flughafen Zuerich AG ("**Flughafen Zuerich**")	Manages, maintains and operates the Zurich Airport in Switzerland. The company is principally engaged in construction, operation and maintenance of the airport's operations infrastructure. It also offers other services such as development, marketing and operation of the commercial infrastructure at the airport.	31 Dec 2006	1,758.3	468.6	55.6
Copenhagen Airports A/S ("**Copenhagen Airports**")	Owns, maintains and operates the Copenhagen Airport and the Roskilde in Denmark. The company is principally engaged in the allocation of infrastructure, buildings and service facilities for the various activities carried out in the day-to-day running of the airport. It also has investments in airports in Mexico and England	31 Dec 2006	2,569.8	386.7	97.7
Fraport AG ("**Fraport**")	Owns and operates Frankfurt-Main, Frankfurt-Hahn and other airports in Germany. It offers services to domestic and international carriers including traffic and terminal management, ground handling, security and real estate and facility management	31 Dec 2006	4,742.2	2,250.3	229.3
Aeroports de Paris ("**AdP**")	Manages and operates 14 hub airports in the Paris metropolitan area. If offers air transport related services, and business services such as office rental	31 Dec 2006	8,232.5	2,076.8	152.1

Source: Annual Report of the respective companies and Bloomberg

To give a degree of comfort as to the comparability of Brussels Airport with the Comparable Companies, we have presented selected financial ratios using the companies' latest full year financial statements:

Company	Financial Year Ended	EBITDA Margin[2]	Net Margin[3]	Return on Equity[4]	Net gearing[5]
		(%)			
Brussels Airport[1]	**31 Dec 06**	**54.1**	**14.8**	**8.7**	**147.5**
Flughafen Wien	31 Dec 06	35.5	16.1	10.4	23.3
Flughafen Zuerich	31 Dec 06	51.3	11.9	7.1	109.8
Copenhagen Airports	31 Dec 06	54.1	25.3	21.2	80.9
Fraport	31 Dec 06	25.7	10.2	9.8	8.9
AdP	31 Dec 06	29.4	7.3	5.5	68.9
Mean		**39.2**	**14.1**	**10.8**	**58.4**
Median		**35.5**	**11.9**	**9.8**	**68.9**
Maximum		**54.1**	**25.3**	**21.2**	**109.8**
Minimum		**25.7**	**7.3**	**5.5**	**8.9**

Source: Annual reports of the respective companies and Bloomberg.

Notes:

(1) On 21 June 2007, MAp announced that Brussels Airport has successfully completed a refinancing of its debt facilities. The net gearing ratio calculated here is based on the annual accounts for the financial year ended 2006 and as such does not take into account the refinancing. Brussels Airport was formerly known as the Brussels International Airport.

(2) EBITDA margin is computed based on the ratio of earnings before interest, tax, depreciation and amortisation over revenue.

(3) Net margin is computed based on the ratio of net profit attributable to equity holders over revenue.

(4) Return of equity is computed based on the ratio of net profit attributable to equity holders over shareholders' funds, excluding minority interest.

(5) Net gearing is computed based on the ratio of total borrowings less cash and cash equivalents to net assets, including minority interest.

We note the following in respect of this comparison:

(i) The EBITDA margin of the Brussels Airport is significantly higher than the mean and median EBITDA margins of the Comparable Companies;

(ii) The net margin of the Brussels Airport is higher than the mean and median net margins of the Comparable Companies;

(iii) The return on equity of the Brussels Airport is within the range of return of equities of the Comparable Companies but lower than the mean and median return on equity recorded by the Comparable Companies; and

(iv) The net gearing ratio of the Brussels Airport is significantly is higher than net gearing of each of the Comparable Companies.

In our analysis, we have collated and presented the following ratios:

EV/EBITDA — "EV" or "Enterprise Value" is the sum of a company's market capitalisation, preferred equity, minority interests, short and long term debts less its cash and cash equivalents. "EBITDA" stands for historical consolidated earnings before interest, tax, depreciation and amortisation expenses.

The EV/EBITDA ratio illustrates the ratio of the market value of a company's business relative to its historical consolidated pre-tax operating cashflow performance, without regard to its capital structure.

P/E — The Price-to-Earnings ratio which is the ratio of market capitalisation relative to its profit after tax attributable to shareholders.

P/NTA — The Price-to-NTA value ratio which illustrates the ratio of the current market value of a company's shares relative to its net asset backing as measured by historical consolidated net tangible asset value in its financial statements.

We would like to highlight that, while we have considered the P/E ratios of the Comparable Companies to the Brussels Airport, this approach is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets. Accordingly, to mitigate the effects on earnings arising from these factors, we have placed more emphasis on EV/EBITDA ratios.

In addition, the NTA basis of valuation is only meaningful insofar as it indicates the extent to which the value of the Brussels Airport is backed by tangible assets, and would be relevant in the event the Brussels Airport decides to change the nature of its business or to release or convert the use of all its assets. The NTA basis of valuation does not necessarily reflect the value of the Brussels Airport as a going concern.

Company	EV/EBITDA(1)	P/E(3)	P/NTA(4)
	(times)		
Brussels Airport	**14.8(2)**	**21.7**	**1.9**
Flughafen Wien	10.9	21.1	2.2
Flughafen Zuerich	11.4	33.7	2.4
Copenhagen Airports	14.1	26.3	5.7
Fraport	8.6	20.7	2.1
AdP	16.6	54.1	3.0
Mean	**12.3**	**31.2**	**3.1**
Median	**11.4**	**26.3**	**2.4**
Maximum	**16.6**	**54.1**	**5.7**
Minimum	**8.6**	**20.7**	**2.1**

Source: Annual reports of the respective companies and Bloomberg.

Notes:

(1) Computed as the ratio of EV to EBITDA, where EV of the respective companies are based on their market capitalisations and their net debt and minority interest figures as set out in their latest available financial statements prior to the Latest Practicable Date. EBITDA of the respective companies are extracted from their latest available full-year financial results.

(2) EV/EBITDA ratio has been computed based on enterprise value of Brussels Airport of EUR 2,708.4 million implied by the BA Sale Price and the EBITDA of Brussels Airport for financial year ended 31 December 2006 of EUR 183.1 million. The EV/EBITDA ratio of Brussels Airport computed based on its EBITDA for 12 month period ended 30 June 2007 of EUR 191.5 million is 14.1 times.

(3) Computed as the ratio of market capitalisation to NPAT, where NPAT is the historical profit after tax attributable to the shareholders of the respective companies as set out in their latest full year financial statements.

(4) NTA of the respective companies are extracted from the latest available full year financial statements prior to the Latest Practicable Date.

We highlight the following key observations arising from the data presented above:

(i) The EV/EBITDA ratio implied by the BA Sale Price is higher than the both the mean and the median EV/EBITDA ratios for the Comparable Companies;

(ii) The P/E ratio implied by the BA Sale Price is lower than both the mean and the median P/E ratios of the Comparable Companies. Excluding AdP, which has a very high P/E ratio of 54.7 times, the P/E ratio implied by the BA Sale Price is marginally lower than the mean P/E ratio of 25.4 times and the median P/E ratio of 23.7 times of the Comparable Companies; and

(iii) The Price-to-NTA ratio implied by the BA Sale Price is lower than the Price-to-NTA ratio of each of the Comparable Companies and marginally lower than the median Price-to-NTA of the Comparable Companies.

4.6 Comparison of ratings implied by the BA Sale Price with comparable transactions

We have made comparison between the EV/EBITDA implied by the BA Sale Price and the EV/EBITDA ratios indicated by selected recent acquisition transactions of airports in Europe since 2004 and up to the Latest Practicable Date ("**Comparable Transactions**"). The list is by no means exhaustive and is for illustration purposes only.

Date Announced	Target Company	Target Nation	Acquirer	% Acquired	EV/ EBITDA (times)
The Proposed BA Disposal					
Aug 07	**Brussels Airport** *(formerly known as Brussels International Airport)*	**Belgium**	**MAp**	**3.2%**	**14.8**[(1)]
Brussels Airport Acquisitions					
May/Jun 05	Brussels International Airport	Belgium	MIIF	3.2%	11.8
Comparable Transactions					
Jun 07	Rome Airport	Italy	Gemina SpA	44.7%	15.8
May 07	Birmingham Airport	United Kingdom	Consortium	48.3%	19.9
Mar 06	BAA	United Kingdom	Grupo Ferrovial SA	100.0%	16.1
Dec 05	Budapest Airport Rt	Hungary	BAA Plc	75.0%	29.1
Mar 05	HTAC (Sydney Airport)	Germany	Australian Infrastructure Fund[(2)]	40.0%	15.9
Mar 05	HTAC (European Airports)	Germany	Australian Infrastructure Fund[(2)]	40.0%	9.7
Feb 05	Copenhagen Airports A/S	Denmark	Macquarie Airports	11.3%	9.0
Nov 04	TBI Plc	United Kingdom	Abertis Infraestructuras SA	100.0%	14.6
Nov 04	Brussels International Airport	Belgium	MAp Consortium	70.0%	12.3
Mean					**15.8**
Median					**15.8**
Maximum					**29.1**
Minimum					**9.0**
Mean (excluding Budapest Airport)[(3)]					**14.1**
Median (excluding Budapest Airport)[(3)]					**15.2**

Source: Annual reports and announcements of the respective companies and Bloomberg.

Notes:

(1) EV/EBITDA ratio has been computed based on enterprise value of Brussels Airport of EUR 2,708.4 million implied by the BA Sale Price and the EBITDA of Brussels Airport for financial year ended 31 December 2006 of EUR 183.1 million. The EV/EBITDA ratio of Brussels Airport computed based on its EBITDA for 12 month period ended 30 June 2007 of EUR 191.5 million is 14.1 times.

(2) "HTAC" refers to HOCHTIEF Airport Capital. In March 2005, Australia Infrastructure Fund announced the acquisition of a 40.02% stake in HTAC for EUR 119 million. HTAC holds investments in Sydney, Athens, Dusseldorf and Hamburg Airports. The EV/EBITDA ratios are the implied EV/EBITDA ratio for Sydney Airport and the European Airports.

(3) We note that the EV/EBITDA of 29.1 times at which BAA Plc acquired its 75% interest in Budapest Airport in December 2005 takes into consideration a number of factors, *inter alia*, the different stage of development of the Budapest Airport compared to the other airports that are the subject of the Comparable Transactions. Accordingly, for illustration purpose, we have elected to compute a mean and median EV/EBITDA multiple for the Comparable Transactions, excluding Budapest Airport.

Our Comparable Transactions analysis is based on data compiled from publicly available sources and serves as a guide to the EV/EBITDA multiples at which acquisitions or divestments of European companies owing airports have been undertaken. We have chosen a timeframe of three (3) years in our analysis for illustrative purposes. Each transaction must be judged on its own commercial and financial merits. The price that an acquirer pays in any particular transaction depends on various factors such as the potential synergy that the acquirer can gain by acquiring the target, the presence of compelling bids, prevailing market conditions, attractiveness of the target's business and assets, size of consideration and existing and desired level of control in the target. Hence, the comparison of the EV/EBITDA implied by the BA Sale Price and the EV/EBITDA ratios of the Comparable

Transactions is for illustrative purposes only. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of MIIF.

We note that:

(i) We have disclosed the EV/EBITDA ratio implied by the initial acquisition by MIIF of the Brussels Airport as a guide, but not included this multiple in the mean and median calculated for the Comparable Transactions;

(ii) The EV/EBITDA ratio implied by the BA Sale Price of 14.8 times is higher than the EV/EBITDA ratio of 11.8 times at which MIIF acquired its interest in Brussels Airport;

(iii) The EV/EBITDA ratio implied by the BA Sale Price of 14.8 times is higher than the EV/EBITDA ratio of 12.3 times at which MABSA acquired its 70% stake in Brussels Airport;

(iv) The EV/EBITDA ratio implied by the BA Sale Price of 14.8 times is within the range of implied EV/EBITDA ratios of between 9.0 times and 29.1 times at which the Comparable Transactions were undertaken; and

(v) The EV/EBITDA ratio implied by the BA Sale Price of 14.8 times is slightly lower than both the mean and median EV/EBITDA ratio of 15.8 times at which the Comparable Transactions were undertaken.

Excluding the acquisition of Budapest Airport by BAA, which was undertaken at EV/EBITDA multiple of 29.1 times, the EV/EBITDA ratio implied by the BA Sale Price of 14.8 times is higher than the mean EV/EBITDA multiple of 14.1 times and marginally lower than the median EV/EBITDA multiple of 15.2 times at which the Comparable Transactions were undertaken.

4.7 Selected other relevant factors

(i) Right of First Refusal

Under the MABSA Shareholders' Agreement dated 10 November 2004 (as amended), shareholders of MABSA ("**MABSA Shareholders**") have pre-emptive rights over shares of MABSA that a shareholder intends to transfer to a third party acquirer. The possibility of a MABSA Shareholder exercising its pre-emptive rights is likely to act as a disincentive to other potential acquirers, who could be reluctant to engage in a competitive bidding process. MAp's interest in acquiring MIIF's 3.2% effective interest in Brussels Airport, further increases uncertainty of a transaction being effected with another potential acquirer and could limit the effectiveness of a competitive bidding process.

We note that the other current shareholders of MABSA, MEIF and the GIF II have indicated that they will waive their pre-emption rights to permit MIIF's sale of its 3.2% effective interest in Brussels Airport to MAp, and have not indicated any objections to the Proposed BA Disposal.

(ii) Minority Discount

We note that MIIF's valuation of its 3.2% effective interest in Brussels Airport of EUR 52.8 million (S$109.6 million, based on an exchange rate of EUR 1.0 : S$2.073) as at 30 June 2007 is computed based on its pro-rata share of MABSA's 70% effective interests in Brussels Airport. MIIF has not ascribed any discount to the valuation of MABSA's interests in Brussels Airport in order to reflect its minority shareholding in Brussels Airport. Such discounts are commonly applied in valuations of minority shareholdings of companies.

(iii) Discount Rate for Roll Forward

The BA Sale Price of EUR 52.9 million will be adjusted to reflect that valuation rolled forward to the date of transaction completion of the Proposed BA Disposal, assumed to be 14 November 2007 at a discount rate of 11.16% and adjusted for distributions declared by MABSA subsequent to 30 June 2007 and prior to the date of completion.

We note that the discount rate of 11.16% per annum was derived using the capital asset pricing model, which is benchmarked against market comparables.

This discount rate was used by MIIF to value its interest in MABSA as at 30 June 2007 and is reflected in the net asset value per Share published by MIIF in its announcement of its financial results for the period ended 30 June 2007.

MIIF's financial results for the period ended 30 June 2007 have been reviewed by PwC as auditors of MIIF and approved by the Directors prior to the release of MIIF's financial results. The discount rate of 11.16% is also within the cost of equity range applied by KPMG in its value of MABSA and consistent with the average of the cost of equity range applied by KPMG.

5 OUR RECOMMENDATION

In arriving at our recommendation, we have taken into account the factors which we consider have a significant bearing on our assessment of the Proposed BA Disposal including:

(a) the rationale for the Proposed BA Disposal;

(b) the BA Sale Price of S$105.9 million (assuming the Proposed BA Disposal proceeds to completion on 14 November 2007, is S$34.2 million (or 47.7%) higher than MIIF's initial investment in Brussels Airport of S$71.7 million;

(c) the sale of Brussels Airport will enable MIIF to realise an IRR of approximately 44% per annum[(1)] since its acquisition;

(d) the EV/EBITDA ratio implied by the BA Sale Price of 14.8 times is higher than the EV/EBITDA ratio of 11.8 times at which MIIF acquired its interest in Brussels Airport and the EV/EBITDA ratio of 12.3 times at which the MAp consortium acquired its 70% interest in Brussels Airport;

(e) the BA Sale Price is consistent with MIIF's valuation of its 3.2% effective interest in Brussels Airport as at 30 June 2007;

(f) the BA Sale Price is close to the upper end of the range of values for MIIF's 3.2% effective interest in Brussels Airport, implied by KPMG's valuation of MABSA;

(g) the EV/EBITDA ratio implied by the BA Sale Price is higher than both the mean and the median EV/EBITDA ratios for the Comparable Companies;

(h) the EV/EBITDA ratio implied by the BA Sale Price is lower than both the mean and median EV/EBITDA ratios at which the Comparable Transactions were undertaken. Excluding the acquisition of Budapest Airport by BAA, which was undertaken at EV/EBITDA multiple of 29.1 times, the EV/EBITDA ratio implied by the BA Sale Price of 14.8 times is higher than the mean EV/EBITDA multiple of 14.1 times and marginally lower than the median EV/EBITDA multiple of 15.2 times at which the Comparable Transactions were undertaken;

(i) the disincentive to potential acquirers to participate in a competitive bidding process for MIIF's 3.2% effective interest in Brussels Airport in view of the right of first refusal granted to MABSA Shareholders and MAp's interest in acquiring this interest plus the fact MEIF and the GIF II have indicated that they will waive their pre-emption rights to permit MIIF's sale of its 3.2% effective interest in Brussels Airport to MAp, and have not indicated any objections to the Proposed BA Disposal;

(j) MIIF's valuation of its 3.2% effective interest in Brussels Airport as at 30 June 2007 does not reflect a minority discount to reflect MIIF's minority shareholdings; and

(k) the discount rate of 11.16% was used by MIIF to value its interest in MABSA as at 30 June 2007 and is reflected in the net asset value per Share published by MIIF in its announcement of its financial results for the period ended 30 June 2007.

MIIF's financial results for the period ended 30 June 2007 have been reviewed by PwC as auditors of MIIF and approved by the Directors prior to the release of MIIF's financial results. The discount rate of 11.16% is also within the cost of equity range applied by KPMG in its value of MABSA and consistent with the average of the cost of equity range applied by KPMG.

Having considered all of the above and subject to the assumptions and qualifications set out herein and taking into account the prevailing conditions and market expectations as at the Latest

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(1) Calculated based on local currency (€).

Practicable Date, we are of the opinion that the Proposed BA Disposal is on normal commercial terms and not prejudicial to MIIF and its minority Shareholders. Accordingly, we advise the Independent Directors to recommend that the Shareholders vote in favour of the Proposed BA Disposal.

In arriving at our recommendation, we wish to emphasize that we have, *inter alia*, relied on representations made by the Directors and the Manager in relation to the current intentions and future direction of MIIF. In addition, Independent Directors should note that we have arrived at these conclusions based on information made available to us prior to and including the Latest Practicable Date.

In rendering the above advice, we have not had regard to the specific investment objectives, financial situation, tax position or particular needs and constraints of any individual shareholder. As each Shareholder has different investment objectives and profiles, we would advise that individual shareholders who require specific advice in relation to their investment objectives or portfolio should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Our recommendation is addressed to the Independent Directors for their benefit, in connection with and for the purposes of their consideration of the Proposed BA Disposal. Any recommendation made by the Independent Directors in respect of the Proposed BA Disposal shall remain their responsibility.

Our recommendation may not be used and/or relied on by any other person for any purpose at any time and in any manner except with our prior written consent in each specific case. Our recommendation is governed by the laws of Singapore and are strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD

Andrew Grimmett
Director

Appendix 6

IFA LETTER TO THE INDEPENDENT DIRECTORS IN RELATION TO THE PROPOSED TANQUID DISPOSAL

DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD
(Company Registration Number 200200144N)
6 Shenton Way #32-00
DBS Building Tower Two
Singapore 068809

18 October 2007

The Independent Directors
Macquarie International Infrastructure Fund Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM 08
Bermuda

Copied to:

Macquarie Infrastructure Management (Asia) Pty Limited, Singapore Branch
23 Church Street #11-11
Capital Square
Singapore 049481

Dear Sirs,

PROPOSED DISPOSAL OF MACQUARIE INTERNATIONAL INFRASTRUCTURE FUND LIMITED'S 100% INTEREST IN TANQUID

*For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 22 October 2007 to the shareholders of Macquarie International Infrastructure Fund Limited (the "**Circular**")*

1 INTRODUCTION

On 17 September 2007, MIIF announced that it had entered into a sale and purchase agreement (the "**TanQuid Sale and Purchase Agreement**") with LMIF, pursuant to which it will dispose of its TanQuid Interest held through its wholly owned subsidiary, Macquarie Storage Holdings Limited ("**MSHL**") and the benefit of the aggregate outstanding indebtedness owed by MSHL to MIIF immediately prior to completion under the TanQuid Sale and Purchase Agreement to LMIF, which currently amounts to EUR 34.9 million.

The disposal will involve the sale by MIIF of its 100% interest in MSHL and the transfer by MIIF to LMIF of the benefit of the aggregate outstanding indebtedness owed by MSHL to MIIF immediately prior to completion under the TanQuid Sale and Purchase Agreement for a cash consideration (the "**TanQuid Sale Price**"), comprising:

- EUR 89.0 million (S$184.5 million when converted at the 30 June 2007 exchange rate of EUR1.00: S$2.0730) which is equal to MIIF's valuation of its interest in TanQuid as at 30 June 2007; plus
- roll forward from 30 June 2007 to the date of completion of the Proposed TanQuid Disposal at a discount rate of 14.00% per annum; minus
- distributions paid by MSHL subsequent to 30 June 2007 and prior to such date of completion.

MSHL does not own any assets other than TanQuid.

Assuming Shareholders' approval for the Proposed TanQuid Disposal is obtained at the SGM, and the Proposed TanQuid Disposal is completed on 14 November 2007, the TanQuid Sale Price will amount to EUR 88.0 million as set out below:

- the 30 June 2007 valuation of EUR 89.0 million; plus

- roll forward from 30 June 2007 to the date of completion of the Proposed TanQuid Disposal, at a discount rate of 14.00% per annum which amounts to EUR 4.5 million; minus
- distributions paid by MSHL of EUR 5.5 million in September 2007, with no further distributions expected between 30 June 2007 and the date of completion of the Proposed TanQuid Disposal.

The TanQuid Sale Price was arrived at on a willing seller and willing buyer basis. MIIF was a willing seller as, *inter alia*, LMIF was prepared to pay a price based on MIIF's valuation of its interest in TanQuid as at 30 June 2007, plus a roll forward based on the abovementioned discount rate (minus distributions paid by TanQuid after 30 June 2007 and prior to completion) and is further supported by the valuation referred to in paragraph 4.3 below.

As the Proposed TanQuid Disposal is in, or in connection with, the ordinary course of MIIF's business, Shareholders' approval is not required for the purposes of Chapter 10 of the Listing Manual.

However, as LMIF is a fund managed by Macquarie Bank, the Proposed TanQuid Disposal will be an interested person transaction for the purposes of Chapter 9 of the Listing Manual. As the TanQuid Sale Price payable to MIIF represents more than 5% of the Group's latest audited NTA of S$1.34 billion as at 31 December 2006, the Proposed TanQuid Disposal requires the approval of Shareholders in accordance with Chapter 9 of the Listing Manual.

The completion of the TanQuid II Sale and Purchase Agreement is not subject to Shareholders' approval as the consideration therefor of EUR 1,600,000 amounts to approximately 0.3% of the Group's latest audited NTA of S$1.34 billion as at 31 December 2006.

We, Deloitte & Touche Corporate Finance Pte Ltd ("**DTCF**"), have been appointed as independent financial adviser to the Independent Directors in respect of the Proposed TanQuid Disposal. This letter, which sets out our evaluation for the Independent Directors in respect of this engagement, is an integral part of the Circular.

2 TERMS OF REFERENCE

Our responsibility is to provide our opinion as to whether the Proposed TanQuid Disposal is on normal commercial terms and will not be prejudicial to the interests of MIIF and its minority Shareholders.

We were neither a party to the negotiations entered into, in relation to the Proposed TanQuid Disposal, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into these transactions.

We do not, by this letter or otherwise, advise or form any judgement on the strategic, commercial or financial merits or risks of the Proposed TanQuid Disposal. All such evaluations, advice, judgements or comments remain the sole responsibility of the Directors and their advisers. We have however drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion.

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of MIIF. We do not express any view as to the price at which the Shares may trade upon completion of the Proposed TanQuid Disposal nor on the future value, financial performance or condition of MIIF after the Proposed TanQuid Disposal.

It is also not within our terms of reference to compare the merits of the Proposed TanQuid Disposal to any alternative transactions that were or may have been available to MIIF. Such comparison and consideration remain the responsibility of the Directors, the Manager and their advisers.

We have relied upon the assurances of the Directors who have accepted full responsibility for the accuracy and completeness of the information provided to us. The Directors have confirmed to us that to the best of their knowledge, information and belief, all material information available to them in connection with the Proposed TanQuid Disposal have been disclosed to us and that such information constitutes full and true disclosure of all material information relating to such transactions and that there is no other information the omission of which would cause any of the information disclosed to us or relied on by us in making our recommendation to be inaccurate, incomplete, untrue or misleading in any material respect. We have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular have been reasonably made after due and careful enquiry. Accordingly, no representation or warranty (whether express or implied) is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information. We have nonetheless made reasonable enquiries and used our judgement in assessing such information and have found no reason to doubt the reliability of such information.

We have not made any independent evaluation or appraisal of the assets and liabilities (including, without limitation, the real properties) of MIIF or TanQuid. We have been furnished with the valuation report prepared by E&Y in relation to MIIF's 100% interest in MSHL.

Our views are based on market, economic, industry, monetary and other conditions (where applicable) prevailing on and our analysis of the information made available to us as at the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion, factors or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or factors or assumptions contained herein. Shareholders should take note of any announcements relevant to their considerations of the Proposed TanQuid Disposal which may be released by the Manager after the Latest Practicable Date.

MIIF has been separately advised by the Manager and by its own legal adviser in the preparation of the Circular other than this letter. We have had no role or involvement and have not provided any advice whatsoever in the preparation, review and verification of the Circular other than this letter. Accordingly, we take no responsibility for, and express no views, whether express or implied, on the contents of the Circular except as for this letter.

Our opinion in relation to the Proposed TanQuid Disposal as set out under Section 5 of this letter should be considered in the context of the entirety of our advice. While a copy of this letter may be reproduced in the Circular, MIIF and the Manager may not reproduce, disseminate or quote this letter or any part thereof for any purpose, other than for the purpose stated herein, without our prior written consent in each instance.

We have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder. As Shareholders will have different investment objectives, we advise the Independent Directors to recommend that any Shareholder who may require specific advice in relation to his or her specific investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

3 DETAILS OF THE PROPOSED TANQUID DISPOSAL

3.1 TanQuid Sale Price

Under the TanQuid Sale and Purchase Agreement, MIIF will divest its 100% interest in MSHL and transfer the benefit of the aggregate outstanding indebtedness owned by MSHL to MIIF immediately prior to completion, to LMIF for a cash consideration of EUR 89.0 million. The TanQuid Sale Price is equal to MIIF's valuation of S$184.5 million (or EUR 89.0 million based on an exchange rate of S$1.0: EUR 0.482) for its interest in TanQuid as at 30 June 2007, adjusted to reflect that valuation rolled forward to the date of completion of the Proposed TanQuid Disposal at a discount rate of 14.00% per annum and adjusted for distributions paid by MSHL subsequent to 30 June 2007 and prior to such date of completion. Assuming Shareholders' approval for the Proposed TanQuid Disposal is obtained at the SGM, and the Proposed TanQuid Disposal is completed on 14 November 2007, the TanQuid Sale Price will amount to EUR 88.0 million.

The consideration was arrived at on a willing seller and willing buyer basis and is consistent with an independent indicative valuation of MIIF's 100% of MSHL conducted by E&Y.

3.2 LMIF

Macquarie Bank and Lombard Odier Darier Hentsch & Cie established the LMIF in March 2007. LMIF is a limited partnership registered in Jersey and has been established as an open-ended investment fund for the principal purpose of co-investing in infrastructure and infrastructure-like assets on a world-wide basis. The investment manager of LMIF is a subsidiary of Macquarie Bank.

3.3 Principal Terms

The TanQuid Sale and Purchase Agreement contains representations and warranties by MIIF with respect to such matters as authority and title, provides for the total liability of MIIF for breach of warranties to be limited to the TanQuid Sale Price and further provides that warranty claims must be brought to MIIF's notice no later than 18 months after completion of the Proposed TanQuid Disposal.

In addition, MIIF has agreed to indemnify LMIF in respect of certain costs and liabilities including certain tax-related payments which may be made by TanQuid to the German custom authorities and German income taxes arising pursuant to the TanQuid Sale and Purchase Agreement.

4 EVALUATION OF THE PROPOSED TANQUID DISPOSAL

In reaching our recommendation in respect of the Proposed TanQuid Disposal, we have given due consideration to the following factors:

(a) Rationale for the Proposed TanQuid Disposal;

(b) Valuation of TanQuid by MIIF;

(c) Valuation of MSHL by E&Y;

(d) Financial effects of the Proposed TanQuid Disposal;

(e) Comparison of ratings implied by the TanQuid Sale Price with comparable companies;

(f) Comparison of ratings implied by the TanQuid Sale Price with comparable transactions; and

(g) Selected other relevant factors.

4.1 Rationale for the Proposed TanQuid Disposal

The Audit Committee has set out the rationale for the Proposed TanQuid Disposal in paragraph 3.6 of the Circular. We recommend that Shareholders read this paragraph of the Circular carefully. We summarise below the key points relevant to the consideration of the Proposed TanQuid Disposal:

- **Key components of acquisition strategy completed**

  MIIF has introduced changes to the business of TanQuid, which was part of the investment proposal at the time of MIIF's investment. With the key components of the acquisition strategy for TanQuid now complete, there are limited further opportunities for earnings and distribution growth except through acquisition, which is counter to MIIF's aim of redeploying its capital base in Asia over time.

- **Valuation and Returns**

  Since MIIF acquired its 100% interest in TanQuid in 2005, TanQuid has performed in line with expectations. The offer price for TanQuid reflects this performance and equates to an EV/EBITDA[(1)] multiple of 9.7 times[(2)] based on the EBITDA for the 12 month period ended 31 December 2006. The sale price is within the independent valuation referred to in paragraph 4.3 below.

  The TanQuid Sale Price of S$183.1 million (assuming the Proposed TanQuid Disposal proceeds to completion on 14 November 2007) is S$68.7 million (or 60.1%) higher than MIIF's investment amount in TanQuid of S$114.4 million.

  The sale of TanQuid will enable MIIF to realise an IRR of approximately 42% per annum[(3)] since its acquisition.

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(1) Equity valuation of EUR 89 million; Net debt of EUR 130.1 billion; EBITDA of EUR 22.7 million.

(2) Calculated based on local currency (€).

(3) Calculated based on local currency (€).

- **MIIF Strategy**

  The sale of TanQuid is in line with MIIF's commitment to maximise value for Shareholders and, over time, to progressively move its portfolio of assets to be more focused on Asian infrastructure. MIIF continues to develop a pipeline of Asian investment opportunities. MIIF anticipates that such acquisitions will allow MIIF to maintain and grow dividends over time.

- **Repayment of Debt**

  MIIF will use the sale proceeds to partially repay the drawn balance on its debt facilities, which will increase MIIF's ability to pursue further investment opportunities in Asia.

- **Speed and Certainty of Sale**

  LMIF has undrawn investor equity commitments available to fund the transaction. Further, opening up the sale to a competitive process would not guarantee a successful outcome and is likely to delay the completion of the proposed disposal of TanQuid.

  LMIF, whose investment manager is a subsidiary of Macquarie Bank, would be exempt from seeking German Federal Cartel Office ("**FCO**") merger clearance. This requirement would be a legal requirement for all third party acquirers and would be a condition precedent to completion, thereby adding an element of uncertainty and risk to any third party bid. In the event the FCO determines that a further detailed review is required, this would likely result in process delays. In addition, there is no guarantee that FCO clearance for the Proposed TanQuid Disposal will be obtained for a sale to a third party.

  Finally, TanQuid's current debt arrangements require a prepayment of existing facilities upon a change of control. There is no certainty that the change in control clause will be waived by the lenders. If it is not waived, TanQuid (and hence the third party purchaser) would be required to repay the existing debt and source for alternative funding options, thereby increasing, the time taken for a sale to a third party and the uncertainty for the sale to complete as potential third party purchasers might have difficulty sourcing alternative funding options.

  Alternatively, a third party purchaser may require the waiver of the change in control provision in the existing debt arrangements as a condition precedent to its purchase of TanQuid, which will then increase the uncertainty of completion. This does not apply in the case of a sale to an affiliate of MIIF, thus the sale to LMIF would not trigger this requirement.

4.2 Valuation of TanQuid by MIIF

Based on information disclosed in MIIF's financial statements for the financial year ended 31 December 2006, MIIF marks to market all of its investments in its stand-alone accounts. The value of the listed investments is based on the closing price of each security on the last trading day in the quarter. The value of the unlisted investments are derived based on detailed discounted cash flow financial models that are developed to calculate the value for which the asset could be sold to a willing buyer under normal circumstances. Discounted cash flow is the process of estimating future cash flows that are expected to be generated by an asset and discounting these cash flows to their present value by applying an appropriate discount rate. The discounted cash flow method is a generally accepted methodology for valuing infrastructure assets and the basis upon which market participants have derived valuations for such transactions.

We note that the TanQuid Sale Price of EUR 89.0 million is consistent with MIIF's valuation of its 100% interest in TanQuid of S$184.5 million (EUR 89.0 million, based on an exchange rate of S$1.0: EUR0.482) as at 30 June 2007, as set out in MIIF's unaudited financial results for the six months period ended 30 June 2007.

4.3 Valuation of MSHL by E&Y

MIIF and LMIF have jointly engaged E&Y to undertake an independent indicative valuation of 100% of MSHL. The independent valuation summary letter prepared by E&Y is attached as Appendix 3 of the Circular. We recommend that Shareholders read Appendix 3 of the Circular carefully.

The salient points we highlight from the independent valuation summary are as follows:

(i) the valuation has been prepared on the basis of "Fair Market Value" and determines the value of 100% of MIIF shareholders participation in MSHL as at 30 June 2007, where fair market value is defined as the amount at which an asset could be exchanged between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting in an arm's length transaction, in an open and unrestricted market;

(ii) E&Y has arrived at a valuation range for 100% of the MIIF shareholders participation in MSHL as at 30 June 2007 to be between approximately EUR 81.2 million and EUR 92.3 million. The valuation range computed by E&Y stated above includes the benefit of the aggregate outstanding indebtedness owed by MSHL to MIIF immediately prior to completion under the TanQuid Sale and Purchase Agreement; and

(iii) the primary valuation methodology used by E&Y is a discounted cashflow methodology, which involves discounting forecast cashflows using an appropriate discount rate. We consider that this methodology is appropriate in the circumstances of the valuation and we also consider the discount rate used by E&Y to be reasonable.

We note that, the TanQuid Sale Price of EUR 89.0 million is close to the upper end of the range of values of between approximately EUR 81.2 million and EUR 92.3 million for MIIF's 100% interest in MSHL arrived at by E&Y.

4.4 Financial effects of the Proposed TanQuid Disposal

(a) NTA

Assuming that the Proposed TanQuid Disposal had been completed on 30 June 2007, the effect on the NTA per Share of the Group as at 30 June 2007 would be as follows:

	Prior to the Proposed TanQuid Disposal	After the Proposed TanQuid Disposal
NTA (S$ million)	1,487	1,622
NTA per Share (cents)	116.20	126.74

MIIF's 100% interest in TanQuid has been recorded at its net asset value in the consolidated financial statements of the Group. In computing the effect on NTA, it is assumed that the Proposed TanQuid Disposal occurred on 30 June 2007 and its consideration is based on MIIF's valuation of its 100% interest in TanQuid as at 30 June 2007 reflected in the unaudited financial report of the Group for the six months ended 30 June 2007.

On the basis of the assumptions set out above, we note that the NTA per Share of the Group increases 10.54 cents (9.07%) as at 30 June 2007, from 116.20 cents to 126.74 cents following the Proposed TanQuid Disposal.

(b) Earnings

Assuming that the Proposed TanQuid Disposal had been completed on 1 January 2007, the effect on the earnings per Share of the Group for the six months ended 30 June 2007 would be as follows:

	Prior to the Proposed TanQuid Disposal	After the Proposed TanQuid Disposal
Profit after tax (S$'000)	195,550	209,850
Weighted average number of Shares on issue ('000)	1,279,687	1,279,687
Earnings per Share (cents)	15.28	16.40

The increase in profit available for distribution is the net impact of the following assumptions:

(i) consideration for the Proposed TanQuid Disposal is based on its value as at 1 January 2007 of S$122.9 million. This, compared to the NTA of TanQuid as at 1 January 2007 of S$69.8 million, results in a gain on disposal of S$53.1 million;

(ii) goodwill for TanQuid of S$33.9 million will be taken to reduce the gain on disposal; and

(iii) reversal of TanQuid's profit for the six months ended 30 June 2007 of S$4.9 million.

On the basis of the assumptions set out above, we note that the earnings per Share of the Group increases 1.12 cents (7.33%) for the six months ended 30 June 2007 from 15.28 cents per Share before the Proposed TanQuid Disposal to 16.40 cents per Share following the Proposed TanQuid Disposal.

(c) Gearing at MIIF level

Assuming that the Proposed TanQuid Disposal had been completed on 30 June 2007, the Proposed TanQuid Disposal will have the following impact on MIIF's Gearing level:

	Prior to the Proposed TanQuid Disposal	After the Proposed TanQuid Disposal
Total borrowings (S$'000)	289,054	104,560
Total assets (S$'000)	1,913,695	1,729,201
Gearing (%)	15.10	6.05

The above table is prepared using the following assumptions:

(i) the consideration for the Proposed TanQuid Disposal is based on its value as at 30 June 2007; and

(ii) the consideration of S$184.5 million is used to partially repay loan facilities as at 30 June 2007 of S$289.1 million. The loans are provided by United Overseas Bank Limited and a syndicate of banks led by DBS Bank Ltd and Australia and New Zealand Banking Group Limited.

On the basis of the assumptions set out above, we note that the percentage gearing at MIIF level, assuming that the Proposed TanQuid Disposal had been completed on 30 June 2007, decreases from 15.10% before the Proposed TanQuid Disposal to 6.05% following the Proposed TanQuid Disposal.

4.5 Comparison of ratings implied by the sale price with comparable companies

We have benchmarked the TanQuid Sale Price of EUR 89.0 million for TanQuid by generating selected valuation statistics for the TanQuid implied by the financial terms of the TanQuid Sale Price and compared those statistics with those companies which, in our opinion and after consultation with the Directors and the management of MIIF and the Manager, are broadly comparable to TanQuid (the "**Comparable Companies**").

We have taken into consideration the unique nature of the oil and chemical tank storage industry. We would like to highlight that there is/are no company or companies listed globally which may be considered truly comparable to TanQuid in terms of size of operations, composition of business activities, asset base, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, future prospects and other relevant criteria. For example, while the Comparable Companies have significant oil and chemical tank storage businesses, they also own and operate pipelines systems and distribution and logistics networks, and have a significantly larger scale of operations than TanQuid as well as a different geographical footprint. **As a result, any comparisons drawn can serve only as an illustrative guide and in our own evaluation we have placed limited reliance on this comparable company analysis.**

The selected valuation statistics of the Comparable Companies are based upon their closing prices on the Latest Practicable Date while those of TanQuid are as implied in the financial terms of the TanQuid Sale Price. Such comparisons are affected by differences in their accounting policies. Our analysis has not attempted to adjust for such differences.

The following is the list of Comparable Companies, together with a brief description of their principal activities:

Company	Principal Activities	Financial Year Ended	Market Capitalisation	Revenue	Profit After Tax and Minority Interests
			(EUR millions)		
Koninklijke Vopak NV ("**Vopak**")	Owns and operates tank terminals, storage centres and ships throughout the world. In addition to storing chemicals and oil products, Vopak offers a wide range of value-added logistics services, such as tanker shipping, inland barging and warehousing.	31 Dec 06	2,427.8	778.1	129.4
Kinder Morgan Energy Partners LP ("**KMP**")	Owns and operates product pipelines systems, natural gas transportation pipelines, gathering and storage facilities, bulk terminal facilities which trans-load coal, petroleum coke, and other products as well as CO_2 pipelines in the United States.	31 Dec 06	8,259.2(1)	7,134.1	365.8
Magellan Midstream Partners, L.P. ("**Magellan**")	Owns and operates pipelines systems and terminals for the storage, transportation and distribution of refined petroleum products and ammonia in the mid-continent region of the United States.	31 Dec 06	1,959.4(2)	974.8	118.6
Inter Pipeline Fund ("**Inter Pipeline**")	Owns and operates oil and oil sands pipeline systems, natural gas liquid extraction facilities and independent bulk liquid storage, handling and distribution facilities in western Canada and western Europe.	31 Dec 06	1,372.7(3)	710.2	91.7
Pembina Pipeline Income Fund ("**Pembina Pipeline**")	Owns and operates pipeline systems for transportation of crude oil, natural gas liquids and oils sands and storage, terminal and hub services facilities in Canada.	31 Dec 06	1,683.6	233.1	61.7
Rubis	Owns and operates tank terminals and storage centres and gas distribution facilities in France, Caribbean and Africa.	31 Dec 06	665.6	728.5	30.5

Source: Annual reports of the respective companies and Bloomberg.

Notes:

(1) Market capitalisation is based on 226.3 million units in issue as at 31 July 2007.

(2) Market capitalisation is based on units in issue as at 66.5 million units in issue as at the Latest Practicable Date.

(3) Market capitalisation is based on 203 million units in issue as at 28 September 2007.

To further consider the comparability of TanQuid with the Comparable Companies, we have presented selected financial ratios using the companies latest full year financial statements:

Company	Financial Year Ended	EBITDA Margin[1]	Net Margin[2]	Return on Equity[3]	Net gearing[4]
				(%)	
TanQuid	**31 Dec 06**	**40.1**	**6.8**	**8.4**	**321.7**
Vopak	31 Dec 06	38.4	16.6	19.3	57.9
Kinder Morgan	31 Dec 06	19.6	5.1	11.4	139.1
Magellan	31 Dec 06	25.5	12.2	18.5	97.1
Inter Pipeline	31 Dec 06	24.2	12.9	10.9	55.9
Pembina Pipeline	31 Dec 06	54.4	26.5	10.4	73.7
Rubis	31 Dec 06	9.4[5]	4.2[5]	9.2	30.0
Mean		**28.6**	**12.9**	**13.3**	**75.6**
Median		**24.8**	**12.5**	**11.2**	**65.8**
Maximum		**54.4**	**26.5**	**19.3**	**239.1**
Minimum		**9.4**	**4.2**	**6.6**	**30.0**

Source: Annual Report of the respective companies.

Notes:

(1) EBITDA margin is computed based on the ratio of earnings before interest, tax, depreciation and amortisation over revenue.

(2) Net margin is computed based on the ratio of net profit attributable to equity holders over revenue.

(3) Return of Equity is computed based on the ratio of net profit attributable to equity holders over shareholders' funds, excluding minority interest.

(4) Net gearing is computed based on the ratio of total borrowings less cash and cash equivalents to net assets, including minority interest.

(5) The low profit margins of Rubis are largely attributable to its distribution business, which specialises in the distribution of liquid petroleum gas under and contributed 75% of the revenues of Rubis in the financial year ended 31 December 2006.

We note the following in respect of this comparison:

(i) The EBITDA margin of TanQuid is higher than both the mean and the median EBITDA margins of the Comparable Companies;

(ii) The net margin of TanQuid is significantly lower than both the mean and the median net margins for the Comparable Companies;

(iii) The return on equity of TanQuid is lower than both the mean and median return on equity recorded by the Comparable Companies; and

(iv) The net gearing ratio of TanQuid is significantly higher than both the mean and median of the net gearing ratios of the Comparable Companies.

In our analysis, we have collated and presented the following ratios:

EV/EBITDA

"EV" or "Enterprise Value" is the sum of a company's market capitalisation, preferred equity, minority interests, short and long term debts less its cash and cash equivalents. "EBITDA" stands for historical consolidated earnings before interest, tax, depreciation and amortisation expenses.

The EV/EBITDA ratio illustrates the ratio of the market value of a company's business relative to its historical consolidated pre-tax operating cashflow performance, without regard to its capital structure.

P/E

The Price-to-Earnings ratio which is the ratio of market capitalisation relative to its profit after tax attributable to shareholders.

P/NTA

The price-to-net tangible asset value ratio which illustrates the ratio of the current market value of a company's shares relative to its net asset backing as measured by historical consolidated net tangible asset value in its financial statements.

We would like to highlight that, while we have considered the P/E ratios of the Comparable Companies to TanQuid, this approach is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets. Accordingly, to mitigate the effects on earnings arising from these factors, we have placed more emphasis on EV/EBITDA ratios.

In addition, the NTA basis of valuation is only meaningful insofar as it indicates the extent to which the value of TanQuid is backed by tangible assets, and would be relevant in the event TanQuid decides to change the nature of its business or to release or convert the use of all its assets. The NTA basis of valuation does not necessarily reflect the value of TanQuid as a going concern.

Company	EV/EBITDA(1)	P/E(2)	P/NTA(3)
		(times)	
TanQuid	**9.7**	**23.8**	**2.8**
Vopak	9.8	18.8	3.9
Kinder Morgan	10.1	25.5	3.9
Magellan	11.4	18.7	3.6
Inter Pipeline	10.5	14.6	2.5
Pembina Pipeline	16.2	26.3	4.6
Rubis	11.5	21.9	5.4
Mean	**11.6**	**20.9**	**4.0**
Median	**11.0**	**20.3**	**3.9**
Maximum	**16.2**	**26.3**	**5.4**
Minimum	**9.8**	**14.6**	**2.5**

Source: Annual reports and announcements of the respective companies and Bloomberg.

Notes:

(1) Computed as the ratio of EV to EBITDA, where EV of the respective companies are based on their market capitalisations and their net debt and minority interest figures as set out in their latest available financial statements prior to the Latest Practicable Date. EBITDA of the respective companies are extracted from their latest available full-year financial results.

(2) Computed as the ratio of market capitalisation to NPAT, where NPAT is the historical profit after tax attributable to the shareholders of the respective companies as set out in their latest full year financial statements.

(3) NTA of the respective companies are extracted from the latest available full year financial statements prior to the Latest Practicable Date.

We highlight the following key observations arising from the data presented above:

(i) The EV/EBITDA ratio implied by the TanQuid Sale Price of 9.7 times is close to the lower end of the range of EV/EBITDA ratio of between 9.8 to 16.2 times the EV/EBITDA ratios of the Comparable Companies.;

(ii) The P/E ratio implied by the TanQuid Sale Price is higher than the mean and median P/E ratios of the Comparable Companies; and

(iii) The Price-to-NTA ratio implied by the TanQuid Sale Price is lower than both the mean and median Price-to-NTA ratios of the Comparable Companies.

We would like to highlight that one of the factors contributing to the slightly lower valuation statistics for TanQuid implied by the TanQuid Sale Price could be the fact that the Comparable Companies such as Kinder Morgan, Magellan and Inter Pipeline are established under master limited partnership structures in the United States and Canada and benefit from certain federal income tax exemptions. The effective tax rate, (computed as the ratio of income tax expense to profit before tax) for these Comparable Companies for the financial year ended 31 December 2006, was in the range of nil tax to 3.2%, whereas the effective tax rate for TanQuid was 26.6%.

4.6 Comparison of ratings implied by the TanQuid Sale Price with comparable transactions

We have made comparison between the EV/EBITDA implied by the TanQuid Sale Price and the EV/EBITDA ratios indicated by selected recent acquisition transactions of oil and chemical tank storage businesses in Europe since 2005 and up to the Latest Practicable Date ("**Comparable Transactions**"). The list is by no means exhaustive and is for illustration purposes only.

Date Announced	Target Company	Target Nation	Acquirer	% Acquired	EV/EBITDA *(times)*
The Proposed TanQuid Disposal					
Sept 07	TanQuid	Germany	LMIF	100	9.7[1]
MIIF's TanQuid Acquisitions					
Jul 06	Tank storage assets of PetroPlus	Germany	MIIF	100	7.0
Sept 05	TanQuid	Germany	MIIF	100	8.6
Comparable Transactions					
April 07	LBC SA	France	Challenger Infrastructure Fund	100	11.2
Dec 05	Tanklager Gesellschaft Hoyer GmbH	Germany	Inter Pipeline Funds	100	8.2
Sept 05	Simon Storage Ltd	United Kingdom	Inter Pipeline Funds	100	8.6
Jul 05	Valero LP (Certain assets)	United States	Pacific Energy Partners, L.P.	100	10.8[2]
Mean					**9.7**
Median					**9.7**
Maximum					**11.2**
Minimum					**8.2**

Source: Annual reports and announcement of the respective companies and Bloomberg.

Notes:

(1) EV/EBITDA ratio has been computed based on enterprise value of TanQuid of EUR 219.1 million implied by the TanQuid Sale Price and the EBITDA of TanQuid for financial year ended 31 December 2006 of EUR 22.68 million (S$45.9 million converted at exchange rate of EUR 1: S$2.024). The EV/EBITDA ratio of TanQuid computed based on MIIF's forecast EBITDA for financial year ending 31 December 2007 of EUR 24 million is 9.1 times.

(2) On 5 July 2005, Pacific Energy Partners, L.P. announced the acquisition of certain United States based terminal and pipeline assets from subsidiaries of Valero L.P. The EV/EBITDA ratio has been computed based on the total purchase price of US$455 million and the forecast EBITDA of US$42 million for the financial year 2006 disclosed in the above mentioned announcement of Pacific Energy Partners, L.P.

Our Comparable Transactions analysis is based on data compiled from publicly available sources and serves as a guide to the EV/EBITDA multiples at which acquisitions or divestments of oil and chemical tank storage businesses in Europe have been undertaken. Each transaction must be judged on its own commercial and financial merits. The price that an acquirer pays in any particular transaction depends on various factors such as the potential synergy that the acquirer can gain by acquiring the target, the presence of compelling bids, prevailing market conditions, attractiveness of the target's business and assets, size of consideration and existing and desired level of control in the target. Hence, the comparison of the EV/EBITDA implied by the TanQuid Sale Price and the EV/EBITDA ratios of the Comparable Transactions is for illustrative purposes only. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of MIIF.

We note that:

(i) We have disclosed the EV/EBITDA ratios implied by the two separate acquisitions by MIIF of the businesses which constitute Tanquid as a guide, but not included these multiples in the mean and median calculated for the Comparable Transactions;

(ii) The EV/EBITDA ratio implied by the TanQuid Sale Price of 9.7 times is substantially higher than the EV/EBITDA ratio of 8.2 times at which MIIF acquired TanQuid and the EV/EBITDA ratio of 7.0 times at which MIIF acquired the tank storage assets of Petroplus;

(iii) The EV/EBITDA ratio implied by the TanQuid Sale Price of 9.7 times is within the range of implied EV/EBITDA ratios of between 8.2 times and 11.2 times at which the Comparable Transactions were undertaken; and

(iv) The EV/EBITDA ratio TanQuid implied by the TanQuid Sale Price of 9.7 times is consistent with both the mean and median EV/EBITDA of at which the Comparable Transactions were undertaken.

4.7 Selected other relevant factors

(i) Sale Process

In addition to the rationale set out under Section 4.1 of this letter, MIIF has elected to divest its interests in TanQuid in favour of LMIF rather than undertake a sale process involving third parties for a number of reasons, including, divestment to a MBL related entity would not require approval of German Federal Cartel Office, which could delay the sale process; LMIF's offer does not require any additional environmental indemnification from MIIF for the period of MIIF's ownership; divestment to an MBL related entity would not trigger certain change in control covenants of TanQuid's debt financing, which could require debt refinancing by third party acquirer; divestment to LMIF, being a fund managed by Macquarie Bank, is relatively faster than sale process, which would require additional time and costs, with no certainty of outcome.

(ii) Discount Rate For Roll Forward

The TanQuid Sale Price of EUR 89.0 million will be adjusted to reflect that valuation rolled forward to the date of transaction completion, assumed to be 14 November 2007 at a discount rate of 14.00% and adjusted for distributions paid subsequent to 30 June 2007 and prior to the settlement date.

We note that the discount rate of 14.00% per annum was derived using the capital asset pricing model, which is benchmarked against market comparables.

This discount rate was used by MIIF to value its interest in TanQuid as at 30 June 2007 and is reflected in the net asset value per Share published by MIIF in its announcement of its financial results for the period ended 30 June 2007.

MIIF's financial results for the period ended 30 June 2007 have been reviewed by PwC as auditors of MIIF and approved by the Directors prior to the release of MIIF's financial results.

5 OUR RECOMMENDATION

In arriving at our recommendation, we have taken into account the factors which we consider have a significant bearing on our assessment of the Proposed TanQuid Disposal including:

(a) the rationale for the Proposed TanQuid Disposal;

(b) the TanQuid Sale Price of S$183.1 million (assuming the Proposed TanQuid Disposal proceeds to completion on 14 November 2007) is S$68.7 million (or 60.1%) higher than MIIF's investment amount in TanQuid of S$114.4 million;

(c) the Proposed TanQuid Disposal will enable MIIF to realise an IRR of approximately 42% per annum[(1)] since its acquisition;

(d) the EV/EBITDA ratio implied by TanQuid Sale Price of 9.7 times is higher than the EV/EBITDA ratio of 8.2 times at which MIIF acquired TanQuid and the EV/EBITDA ratio of 7.0 times at which MIIF acquired the tank storage assets of Petroplus;

(e) the TanQuid Sale Price is consistent with MIIF's valuation of its 100% interest in TanQuid as at 30 June 2007;

(f) the TanQuid Sale Price is close to the upper end of the range of values for MIIF's 100% interest in MSHL arrived at by E&Y;

(g) the EV/EBITDA ratio implied by the TanQuid Sale Price is consistent with both the mean and the median EV/EBITDA ratio at which the Comparable Transactions were undertaken;

(1) Calculated based on local currency (€).

(h) the rationale of MIIF for electing not to undertake a sale process in respect of the divestment of TanQuid; and

(i) the discount rate of 14.00% per annum was used by MIIF to value its interest in TanQuid as at 30 June 2007 and is reflected in the net asset value per Share published by MIIF in its announcement of its financial results for the period ended 30 June 2007.

MIIF's financial results for the period ended 30 June 2007 have been reviewed by PwC as auditors of MIIF and approved by the Directors prior to the release of MIIF's financial results.

Having considered all of the above and subject to the assumptions and qualifications set out herein and taking into account the prevailing conditions and market expectations as at the Latest Practicable Date, we are of the opinion that the Proposed TanQuid Disposal is on normal commercial terms and not prejudicial to MIIF and its minority Shareholders. Accordingly, we advise the Independent Directors to recommend that the Shareholders vote in favour of the Proposed TanQuid Disposal.

In arriving at our recommendation, we wish to emphasize that we have, *inter alia*, relied on representations made by the Directors and the Manager in relation to the current intentions and future direction of MIIF. In addition, Independent Directors should note that we have arrived at these conclusions based on information made available to us prior to and including the Latest Practicable Date.

In rendering the above advice, we have not had regard to the specific investment objectives, financial situation, tax position or particular needs and constraints of any individual shareholder. As each Shareholder has different investment objectives and profiles, we would advise that individual shareholders who require specific advice in relation to their investment objectives or portfolio should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Our recommendation is addressed to the Independent Directors for their benefit, in connection with and for the purposes of their consideration of the Proposed TanQuid Disposal. Any recommendation made by the Independent Directors in respect of the Proposed TanQuid Disposal shall remain their responsibility.

Our recommendation may not be used and/or relied on by any other person for any purpose at any time and in any manner except with our prior written consent in each specific case. Our recommendation is governed by the laws of Singapore and are strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD

Andrew Grimmett
Director

MACQUARIE INTERNATIONAL INFRASTRUCTURE FUND LIMITED

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a SPECIAL GENERAL MEETING of Macquarie International Infrastructure Fund Limited ("**MIIF**") will be held at Orchard Ballroom 3, Orchard Hotel Singapore, 442 Orchard Road, Singapore 238879 on 9 November 2007 at 2.00 p.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following ordinary resolutions:

ORDINARY RESOLUTION 1
THE PROPOSED DISPOSAL OF MIIF'S 3.2% EFFECTIVE INTEREST IN BRUSSELS AIRPORT

That:

(a) approval be and is hereby given for the proposed disposal by MIIF of its 3.2% effective interest in Brussels Airport, on the terms of the sale and purchase agreement (the "**Brussels Airport Sale and Purchase Agreement**") dated 28 August 2007 made between (1) MIIF and (2) Macquarie Airports (further particulars of which are set out in MIIF's Circular to Shareholders dated 22 October 2007); and

(b) the Directors and any of them be and are hereby authorised to complete and do all such acts and things (including approving the final form of or modifying the Brussels Airport Sale and Purchase Agreement and executing all such documents as may be required under or pursuant to the Brussels Airport Sale and Purchase Agreement) as they or he consider necessary, desirable or expedient to give effect to this Resolution as they or he may deem fit.

ORDINARY RESOLUTION 2
THE PROPOSED DISPOSAL OF MIIF'S 100% INTEREST IN TANQUID

That:

(a) approval be and is hereby given for the proposed disposal by MIIF of its 100% interest in TanQuid, on the terms of the sale and purchase agreement (the "**TanQuid Sale and Purchase Agreement**") dated 14 September 2007 made between (1) MIIF and (2) LODH Macquarie Infrastructure Fund (further particulars of which are set out in MIIF's Circular to Shareholders dated 22 October 2007); and

(b) the Directors and any of them be and are hereby authorised to complete and do all such acts and things (including approving the final form of or modifying the TanQuid Sale and Purchase Agreement and executing all such documents as may be required under or pursuant to the TanQuid Sale and Purchase Agreement) as they or he consider necessary, desirable or expedient to give effect to this Resolution as they or he may deem fit.

ORDINARY RESOLUTION 3
THE PROPOSED ADOPTION OF THE SCRIP DIVIDEND SCHEME

That:

(a) the scrip dividend scheme to be known as the "Macquarie International Infrastructure Fund Limited Scrip Dividend Scheme" (the "**Scrip Dividend Scheme**"), under which the Directors of MIIF may, whenever the Directors of MIIF or MIIF in general meeting have resolved that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of MIIF, resolve that shareholders entitled to such dividend may elect to receive an allotment of new ordinary shares of par value S$0.01 each credited as fully paid in lieu of cash in respect of such dividend (further particulars of which are set out in MIIF's Circular to Shareholders dated 22 October 2007), be and is hereby approved; and

(b) the Directors of MIIF be and are hereby authorised:

    (i) to establish and administer the Scrip Dividend Scheme;

    (ii) to modify and/or alter the Scrip Dividend Scheme from time to time and to do all such acts and things and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the Scrip Dividend Scheme; and

(iii) to allot and issue from time to time such number of new ordinary shares of par value S$0.01 each in MIIF as may be required to be allotted and issued pursuant to the Scrip Dividend Scheme.

BY ORDER OF THE BOARD
MACQUARIE INTERNATIONAL INFRASTRUCTURE FUND LIMITED

Roslyn O'Brien
Company Secretary
Bermuda
22 October 2007

Notes:

(1) A Shareholder entitled to attend and vote at the Special General Meeting who is a holder of two (2) or more Shares is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a Shareholder.

(2) The instrument appointing a proxy and the Depositor Proxy Form must be lodged at the registered office of the Singapore Share Transfer Agent, M & C Services Private Limited at 138 Robinson Road #17-00 The Corporate Office, Singapore 068906 not less than 48 hours before the time appointed for the Special General Meeting.

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