

2009 MCG Tax Statement Guide:

Essential information to help you complete
your 2009 and 2010 Australian income tax returns

MACQUARIE COMMUNICATIONS
INFRASTRUCTURE GROUP



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This Guide is not intended to be tax advice and investors should consult a professional tax advisor, if necessary, for tax advice required in connection with completion of tax returns.

None of the entities noted in this document are authorised deposit-taking institutions for the purposes of the Banking Act 1959 (Commonwealth of Australia) and their respective obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of any entity noted in this document.

Neither CCIL nor CCGIL nor CCIML, guarantees any particular rate of return or the performance of Macquarie Communications Infrastructure Group (MCG), nor do they guarantee the repayment of capital or the payment of income from MCG.

Your 2009 Macquarie Communications Infrastructure Group (MCG) Annual Tax Statement should be read in conjunction with this Tax Statement Guide. These contain information that will help you complete your 2009 Australian income tax return.

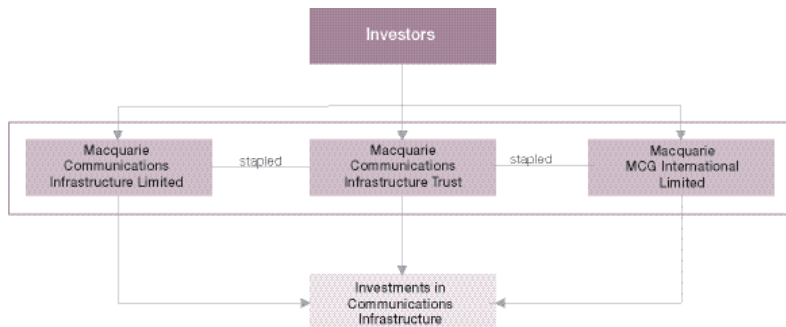
Your 2010 MCG Annual Tax Statement contains information that will help you complete your 2010 Australian income tax return. We draw your attention to Part D of this Guide which highlights the possible tax implications to you as a security holder of the disposal of your MCG securities in accordance with the security holder acceptance of the Canada Pension Plan Investment Board (CPPIB) Scheme on 21 July 2009 (the Scheme).

Parts A, B and C of this Guide contain information that will help you complete your 2009 Australian income tax return. Part D contains information that will help you complete your 2010 Australian income tax return.

Under the terms of the Scheme, the names of the various MCG entities have changed. Included below is a list of original company names and the new company names. For ease of reference we have continued to refer to the original entity names throughout the Tax Statements and Tax Statement Guide.

Entity	New Entity Name
Macquarie Communications Infrastructure Management Limited (MCIML)	CPPIB Communications Infrastructure Management Limited
Macquarie Communications Infrastructure Limited (MCL)	CPPIB Communications Infrastructure Limited
Macquarie Communications Infrastructure Trust (MCIT)	CPPIB Communications Infrastructure Trust
Macquarie MCG International Limited (MMCGIL)	CPPIB Communications Group International Limited

Prior to the Scheme, MCG comprised three entities listed on the Australian Securities Exchange: MCIL, MCIT and MMCGIL. Securities in the three entities were “stapled” together. This means that the securities could not be separated from each other and could only be traded together. A summarised structure of MCG as at 30 June 2009, prior to the Scheme, is illustrated below.



If you are an individual who was a resident of Australia for income tax purposes during the year ended 30 June 2009, you will need the following to complete your 2009 Australian income tax return:

- Your 2009 MCG Annual Tax Statement (you will not need your MCG Distribution Statement);
- This Guide; and
- A copy of TaxPack 2009 and of the TaxPack 2009 supplement, and (possibly) copies of certain other Australian Taxation Office (ATO) publications (referred to in this Guide).

We have included a 'Shortcut Guide for Australian Resident Individuals' to assist you to complete your 2009 Australian income tax return. If you meet all of the conditions set out on page 4 for using the Shortcut Guide, it should enable you to complete your 2009 Australian income tax return relevant to your MCG securities without working through all of the relevant parts of this Guide (Parts A, B and C).

If you are unable to use the Shortcut Guide or require further information, detailed steps for you to follow in order to correctly report your MCG distributions in your 2009 Australian income tax return are included in Part A of this Guide.

If you disposed of any or all of your MCG securities in the year to 30 June 2009 (or entered into a contract on or before 30 June 2009 to do so), you should not use the Shortcut Guide and will need to address the income tax (including capital gains tax (CGT)) consequences of that disposal. Further, even if you did not dispose of your MCG securities, the tax-deferred distributions you received during the year to 30 June 2009 may in certain circumstances be relevant to your CGT position for the year ended 30 June 2009. Part B of this Guide will give you information which you will need for this purpose.

Part C of this Guide contains information which may be of benefit to some security holders. You do not need to read this section if you are an individual who was a resident of Australia for income tax purposes for the year ended 30 June 2009.

If you are NOT an individual but you were a resident of Australia for income tax purposes during the year ended 30 June 2009, you will need to:

- Reflect distributions from MCG appropriately in your Australian income tax return. Your 2009 MCG Annual Tax Statement should give you the information you need;
- Reflect any relevant gain or loss on disposal of your MCG securities during the year ended 30 June 2009 in your 2009 Australian income tax return. Part B of this Guide will give you information which will assist you in computing any CGT result; and
- Read Part C of this Guide in relation to Foreign Investment Funds.

If you were NOT a resident of Australia during the year ended 30 June 2009, you will need to decide whether you should lodge an Australian income tax return

This decision is outside the scope of this Guide and you should consult a tax advisor if you are in any doubt. If you do lodge an Australian income tax return, the information in your 2009 MCG Annual Tax Statement and in this Guide will assist you.

You should consult your tax advisor if you require tax advice on any of the above points.

If you need further factual information please contact James Dyckhoff on (02) 8232 4424.

You should keep your 2009 and 2010 MCG Annual Tax Statements and this Guide with your tax papers, in case the ATO wishes to see them at some time.

2009 MCG Tax Statement Guide

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2009 MCG Shortcut Guide for Australian Resident Individuals

Conditions for using this MCG Shortcut Guide

If you satisfy all of the following conditions, you can use this Shortcut Guide to help you complete your 2009 Australian income tax return in relation to your MCG securities:

- you are an individual, and you hold your MCG securities for your own benefit (and not as a trustee for anyone else);
- you held your MCG securities on capital account (ie not as trading stock or otherwise on revenue account — refer to Part B of this Guide for further information or consult your tax advisor if you are not sure);
- you were a resident of Australia for tax purposes at all times during the year ended 30 June 2009;
- you did not dispose of, or enter into a contract to dispose of, any of your MCG securities during the year ended 30 June 2009;
- you satisfy yourself that the total tax-deferred distributions that you received from MCIT during the year ended 30 June 2009 and in prior years did not exceed your CGT cost base of your units in MCIT. It is possible that the tax-deferred distributions made by MCIT up to 30 June 2009 would have exceeded the cost base of MCIT units held by an MCG investor. You should confirm this for yourself. If they did exceed the CGT cost base, they would have eliminated that cost base, and you should not use this Shortcut Guide;
- you did not receive any dividends from any other investment (other than those from MCIL) during the year ended 30 June 2009;
- you are not entitled to any tax deductions (eg for interest on borrowings) in relation to your MCG securities for the year ended 30 June 2009;
- if any TFN withholding tax was deducted from your MCIT distributions, and it has not been previously refunded to you;
- you did not (either individually or with associates) have a 10% or greater interest in MCG during the year ended 30 June 2009; and
- other than your interest in MMCGIL, you did not hold any interests (either directly or indirectly) in foreign entities, assets or property.

If you are not sure whether you satisfy any of the above conditions, you should work through this Guide and/or consult a professional tax advisor.

Even if you do not satisfy all of the above conditions, this Shortcut Guide may assist you to complete your 2009 Australian income tax return. However, we strongly recommend you work through the relevant parts of this Guide.

MCG Shortcut Guide

Provided you satisfy all of the conditions on page 4, the information set out in the following MCG Shortcut Guide is a summary of the amounts and disclosures that you should include in your 2009 Australian income tax return in respect of your MCG securities.

Items as shown in 2009 Tax return for individuals	2009 Tax Return Item No.	Amount on 2009 MCG Annual Tax Statement	MCG Tax Statement Guide Reference
12. Dividends			
Unfranked amount	12S	Item (4)	Part A, Section 4
Tax file number amounts withheld from dividends	12V	Item (5)	Part A, Section 5
(supplementary section)	2009 Tax Return (supplementary section) Item No.	Amount on 2009 MCG Annual Tax Statement / Action required	MCG Tax Statement Guide Reference
13. Partnerships and trusts			
<i>Share of credits from income and tax offsets</i>			
Share of credit for tax file number amounts withheld from interest, dividends and unit trust distributions	13R	Item (3)	Part A, Section 3
19. Foreign entities			
Did you have an interest in a foreign investment fund (FIF) or a foreign life assurance policy (FLP)?	19J	Print X in the YES box (but do not put any amount at Item 19C)	Part A, Section 6
20. Foreign source income and foreign assets or property			
During the year did you own, or have an interest in, assets located outside Australia which had a total value of AUD \$50,000 or more?	20P	Print X in the NO box	Part A, Section 7

MCG Shortcut Guide

If you are using this Shortcut Guide, the following diagram may assist you to complete your 2009 Australian income tax return for individuals.

2009 MCG Annual Tax Statement

	Six months ended 30 Jun 2008 (paid 15 Aug 2008) (as relevant for the 2008/2009 year)	Total payments for year ended 30 Jun 2009 (paid 13 Feb 2009)	2009 Tax Return Item No.
Distribution rate (cents per unit/share)			
MCIT		5.00 cents	
MCIL ^(a)		0.00 cents	
MMCGIL ^(b)		0.00 cents	
		5.00 cents	
MCIT Distributions			
CGT concession amount ^(c)		XXX.XX ⁽¹⁾	
Tax-deferred amounts ^(d)	XXX.XX ⁽²⁾	XXX.XX ⁽²⁾	
Gross distribution – MCIT		XXX.XX	
Less: Resident withholding tax at the highest marginal tax rate (plus Medicare levy) on part of distribution from MCIT ^(e)		AAA.AA ⁽³⁾	13R
Less: Non-resident withholding tax on part of distribution from MCIT ^(f)		XXX.XX	
Net distribution received from MCIT		XXX.XX	
MCIL Distributions			
Unfranked dividend received from MCIL ^(g)	BBB ⁽⁴⁾	XXX.XX	12S
Less: Resident withholding tax at the highest marginal tax rate (plus Medicare levy) on dividend from MCIL ^(h)	CCC.CC ⁽⁵⁾	XXX.XX	12V
Less: Non-resident withholding tax on dividend from MCIL ⁽ⁱ⁾	0.00	0.00	
Net distribution received from MCIL		0.00	
Total net MCG Distributions (in respect of year ended 30 June 2009)		XXX.XX	

Part A: Australian Resident Individuals – How to complete your 2009 Australian Income Tax Return using your 2009 MCG Annual Tax Statement

The sections you need to follow in this Guide depend on where amounts appear on your 2009 MCG Annual Tax Statement.

If there is an amount next to this item on your 2009 MCG Annual Tax Statement then you need to go to the relevant section of Part A of this Guide.

Number on 2009 MCG Annual Tax Statement	Nature of Item	Go to Part A of this Guide, Section...
(1)	CGT concession amount	1
(2)	Tax-deferred amounts	2
(3)	Tax withheld (from MCIT distributions)	3
(4)	Unfranked dividends	4
(5)	Tax withheld (from MCIL dividends)	5

Regardless of what amounts appear on your 2009 MCG Annual Tax Statement, you also need to go to these sections of Part A of this Guide:

Nature of item	Go to Part A of this Guide, Section...
Foreign entities	6
Foreign assets	7

This Guide does not address any deductions to which you may be entitled in respect of any expenses or outgoings you may have incurred in relation to your investment in MCG securities, nor does it address any deductions for brought forward losses. If you are entitled to any such deductions, you should follow the instructions in TaxPack 2009 and the TaxPack 2009 supplement and/or consult your tax advisor in order to claim those deductions.

Part A, Section 1

CGT concession amount

This amount is marked with (1) on your 2009 MCG Annual Tax Statement.

The CGT concession amount is not assessable to you. The assessable part of the capital gains made by MCIT during the year ended 30 June 2009 was fully offset by its deductions. You do not need to include the CGT concession amount in your 2009 Australian income tax return, and this portion of the distribution did not reduce the cost base of your units in MCIT for CGT purposes.

Part A, Section 2

Tax-deferred amounts (from MCIT)

During the year ended 30 June 2009, MCIT made two tax-deferred distributions, one on 15 August 2008 (as advised in your 2008 and 2009 MCG Annual Tax Statements), and another on 13 February 2009 (as advised in your 2009 MCG Annual tax Statement). These amounts are marked with (2) on your 2009 MCG Annual Tax Statement.

These distributions reduced the cost base and reduced cost base of your MCIT units. Assuming that you held your MCG securities on capital account for income tax purposes (i.e. not as trading stock or otherwise on revenue account – refer to Part B of this Guide for further information or consult your tax advisor if you are not sure), these distributions were tax-deferred and, except as described below, do not form part of your assessable income for tax purposes and do not have to be reported in your 2009 Australian income tax return.

The tax-deferred distributions reduced the cost base and reduced cost base of your investment in units in MCIT for the purposes of CGT. Some or all of a tax-deferred distribution will itself constitute a capital gain if the cost base is reduced to zero by that tax-deferred distribution or has been reduced to zero by prior tax-deferred distributions. It is possible that the tax-deferred distributions made by MCIT up to 30 June 2009 would have exceeded the cost base of MCIT units held by an MCG investor. You should confirm this for yourself. You should read 'Tax-deferred distributions' on pages 17 to 19 of Part B of this Guide if you think this may have occurred in your circumstances.

Part A, Section 3

Tax withheld (from MCIT distributions)

This amount is marked with (3) on your 2009 MCG Annual Tax Statement.

If there is an amount marked with (3) on your 2009 MCG Annual Tax Statement, go to question 13, Part E starting on page s5 of the TaxPack 2009 supplement and work through that part. Assuming that any tax withheld has not previously been refunded to you, you should include the amount marked with (3) on your 2009 MCG Annual Tax Statement in the amount to be shown at R, item 13 on page 9 of your 2009 Australian income tax return for individuals (supplementary section).

This amount represents withholding tax deducted from part of your distributions because you did not provide a Tax File Number (TFN) or, where relevant, an Australian Business Number (ABN) or exemption for your MCG investment.

Part A, Section 4

Unfranked dividends (from MCIL)

During the year ended 30 June 2009, MCIL paid one unfranked dividend on 15 August 2008 (as advised in your 2008 and 2009 MCG Annual Tax Statements). This amount is marked with (4) on your 2009 MCG Annual Tax Statement. There were no franking credits attached to the dividend.

If there is an amount marked with (4) on your 2009 MCG Annual Tax Statement, go to question 12 on page 20 of TaxPack 2009 and answer 'YES' to the question on the page. Work through question 12 and, for Step 1 on page 21, include the amount marked with (4) in the amount to be shown at S, item 12 on page 2 of your 2009 Australian income tax return for individuals.

Part A, Section 5

Tax Withheld (from MCIL dividends)

During the year ended 30 June 2009, MCIL paid one unfranked dividend on 15 August 2008 (as advised in your 2008 and 2009 MCG Annual Tax Statements). Tax withheld from this dividend is marked with (5) on your 2009 MCG Annual Tax Statement.

If there is an amount marked with (5) on your 2009 MCG Annual Tax Statement, go to Step 4 of question 12 on page 21 of TaxPack 2009 and work through that step. Assuming that any tax withheld has not previously been refunded to you, you should include the amount marked with (5) on your 2009 MCG Annual Tax Statement in the amount to be shown at V, item 12 on page 2 of your 2009 Australian income tax return for individuals.

This amount represents withholding tax deducted from your MCIL dividend because you did not provide a TFN or (where relevant) an ABN or claim an exemption for your MCG investment.

Part A, Section 6

Foreign entities

MMCGIL, being a company that is not a resident of Australia for Australian tax purposes, is a foreign investment fund (FIF). Therefore, if you held any MCG securities at 30 June 2009, you are regarded as holding an interest in a FIF (MMCGIL) for the purposes of your 2009 Australian income tax return.

If you held any MCG securities at 30 June 2009, go to question 19 on page s19 of the TaxPack 2009 supplement and answer 'YES' to the first question on the page.

Work through Parts A, B and C of question 19.

For Part A, if your only interest in companies that were non-residents of Australia during the year ended 30 June 2009 was in MMCGIL, you should answer 'NO' to the first question in Part A and follow the ATO's instructions for a 'NO' answer. If you answer 'YES' to the question in Part A, read Part A and follow the ATO's instructions for a 'YES' answer.

When you come to Part C, answer 'YES' to the question and proceed to read that part. For Step 1 of Part C, you will need to print 'X' in the YES box at J, item 19 on page 10 of your 2009 Australian income tax return (supplementary section).

Continue working through the four steps of Part C. When addressing Step 2, please note that your attributed foreign income from MMCGIL under the FIF rules was nil for the year ended 30 June 2009. This is because your interest in MMCGIL qualifies for exemption from FIF taxation under section 497 of the Income Tax Assessment Act 1936. When addressing Step 4, please note that you cannot claim any foreign income tax offset in respect of MMCGIL.

IMPORTANT NOTE

The above comments may not apply to any investor in MCG that either individually or with associates had a 10% or greater interest in MCG at any time. If you did hold such an interest in MCG, you should seek further assistance from your tax advisor and if you need further factual information you should contact James Dyckhoff on (02) 8232 4424. If you are unsure whether you held such an interest, you should consult your tax advisor.

Part A, Section 7

Foreign assets

You need to address Part I of question 20 on page s26 of the TaxPack 2009 supplement, as your interest in MMCGIL is an interest in assets located outside Australia.

At Part I of question 20 on page s26 of the TaxPack 2009 supplement, you should answer 'NO' to the question if your only interest in assets outside Australia during the year ended 30 June 2009 was in MMCGIL. Then, follow the ATO's instructions for a 'NO' answer. (The ATO's instructions state that a 'NO' answer should be given where the only asset or assets held overseas are covered by question 19. Your interest in MMCGIL is covered by question 19).

If you answer 'YES' to the question at Part I, read Part I and follow the ATO's instructions for a 'YES' answer. If you need to know the value of a share in MMCGIL at 30 June 2009, you may choose to adopt MCIML's view (in its capacity as the Responsible Entity of MCIT, the Manager of MCIL and the Advisor of MMCGIL) that the allocation of value between the entities, implied by the 30 June 2009 closing Australian Securities Exchange pricing, suggests a value of \$0.72 per share for MMCGIL at that date.

Part B: Capital Gains Tax on disposals of MCG securities and, in some cases, on receipt of tax-deferred distributions from MCG

If you disposed of (or entered into a contract to dispose of) any or all of your MCG securities in the year ended 30 June 2009, you need to address the tax consequences of that disposal. Tax consequences may also have arisen from the receipt of tax-deferred distributions in the year ended 30 June 2009.

If you disposed of any or all of your MCG securities in the year ended 30 June 2009, or had a capital gain in that year resulting from the receipt of tax-deferred distributions from MCG, and you were not a resident of Australia for tax purposes in that year, it is likely that any capital gain or loss you made will be disregarded for Australian CGT purposes – but you should consider this for yourself in light of your own circumstances.

If you disposed of any or all of your MCG securities as part of the Scheme, then your CGT disposal date was 21 July 2009 (the implementation date). You will need to address the tax consequences of the disposal which will give rise to a capital gain or capital loss during the year ended 30 June 2010. Please refer to Part D of this Guide for more information. The remainder of this Part B deals with the disposal of MCG securities during the year ended 30 June 2009 but may provide assistance for calculating your CGT result for the year ending 20 June 2010.

Revenue vs capital account

While many security holders hold investments such as MCG securities on capital account, in certain circumstances, including where your MCG securities were held as part of the assets of a business, the investment may have been held on revenue account.

If you held your MCG securities on revenue account, you may have a revenue gain or loss which you will need to compute.

If you believe that you held your MCG securities on revenue account, or you are in any doubt, you may wish to consult your tax advisor.

Whether or not you held your MCG securities on revenue account, you will need to do a CGT calculation. The remainder of this Part B is concerned with CGT and your MCG securities.

Recognition of capital gain or loss

You will need to reflect in your 2009 Australian income tax return the CGT result of any disposal of part or all of your MCG securities.

The time of disposal for CGT purposes is the time of the contract to make the disposal (or if no contract exists, the time of the disposal). If you disposed of (or entered into a contract to dispose of) any or all of your MCG securities in the year ended 30 June 2009 and you are an individual, and/or a taxpayer with a 30 June tax year end, who was a resident of Australia for income tax purposes during the year ended 30 June 2009, you need to reflect the result in your 2009 Australian income tax return.

Tax-deferred distributions

During the year ended 30 June 2009, MCIT made two tax-deferred distributions, one on 15 August 2008 (as advised in your 2008 and 2009 MCG Annual Tax Statements) and another on 13 February 2009 (as advised in your 2009 MCG Annual Tax Statement).

These distributions reduced the cost base and reduced cost base of your MCIT units. In the event that the cost base of a unit was reduced to nil by tax-deferred distributions (either in the year to 30 June 2009 or earlier years), the remainder of the tax-deferred distribution which caused the reduction to nil, and subsequent tax-deferred distributions, will generally constitute capital gains. This means that such tax-deferred distributions (after your cost base has been reduced to nil) have to be included in your capital gains for the purposes of working out your overall CGT result to be included in your 2009 Australian income tax return.

This is the case even though you might not have disposed of your MCG securities. It is possible that the tax-deferred distributions made by MCIT up to 30 June 2009 would have exceeded the cost base of MCIT units held by an MCG investor. All security holders are encouraged to check for themselves on this point.

Technically, the receipt of a tax-deferred distribution is a 'CGT event' known as 'CGT Event E4'. If you are an Australian resident individual, you only need to answer 'YES' to having a capital gains tax event at G, item 18 on page 10 of your 2009 Australian income tax return (supplementary section) if you had a capital gain or loss in respect of a CGT event (refer to the instructions for this question which are on page s15 of the TaxPack 2009 supplement). This means that if you are an individual taxpayer and did not have any other CGT events during the year ended 30 June 2009 (other than the receipt of the MCIT tax-deferred distribution amounts), you will only need to answer 'YES' to having a capital gains tax event if your tax-deferred distribution amounts exceeded the cost base of your units in MCIT.

Eligible security holders should be entitled to the CGT discount concession for any capital gains which arose in this way (assuming relevant requirements are met).

Calculation of capital gain or loss

The remaining generalised statements, while not a complete description of CGT, may assist you in computing the CGT result of any disposal of your MCG securities.

One MCG security comprises three separate assets for CGT purposes - one unit in MCIT, stapled to one share in MCIL and to one share in MMCGIL.

If you disposed of, or entered into a contract to dispose of, any or all of your MCG investment in the year ended 30 June 2009, you will need to do separate CGT calculations for each of your investments in MCIT, MCIL and MMCGIL.

For the purpose of calculating your CGT result in relation to the disposal of your MCG securities, you will need to split your acquisition cost and your sales proceeds between your units in MCIT, your shares in MCIL and your shares in MMCGIL.

Splitting your acquisition cost and sales proceeds

a) Splitting your acquisition cost

Appendices 1 and 2 will help you to split your MCG security acquisition cost between a unit in MCIT, a share in MCIL and a share in MMCGIL. Appendix 1 sets out all the relevant dates and prices at which MCG securities have been issued up to 30 June 2009 and shows the proportion of the issue price of each MCG security that relates to a unit in MCIT, a share in MCIL and a share in MMCGIL. Appendix 2 sets out the view of MCIML, in its capacity as the Responsible Entity of MCIT, the Manager of MCIL and the Advisor to MMCGIL, of the allocation of MCG trading prices between the entities up to 30 June 2009.

If you acquired your MCG securities through the Australian Securities Exchange you will need to decide how much of your purchase price for each MCG security related to a unit in MCIT, how much related to a share in MCIL and how much related to a share in MMCGIL.

MCIML is of the view that the allocation of MCG trading prices between the entities up to 30 June 2009 was as detailed in Appendix 2. To determine the split of the acquisition cost of your MCG securities between MCIT, MCIL and MMCGIL, you may wish to refer to the relevant percentage split for the month in which you acquired your MCG securities.

b) Calculating the cost base of your MMCGIL shares for the MCG restructure on 27 January 2005

If you acquired some or all of your MCG securities on or before 27 January 2005, you will need the following details in relation to your shares in MMCGIL as a result of the MCG restructure that happened on that day.

- (i) Your shares in MMCGIL were acquired on 27 January 2005 (being the time that MCIT made the in-specie distribution of the shares to you). Your CGT cost base of those MMCGIL shares is equal to the market value of those shares on that day. MCIML is of the view that the market value was 76.0356 cents per share in MMCGIL. Please also note that the cost base and reduced cost base of each unit that you held in MCIT at the start of that day was reduced by 76.0356 cents.
- (ii) Work out the number of shares in MMCGIL that you acquired on 27 January 2005 as part of the MCG restructure on that date – this is the same as the number of MCG securities that you held at the start of that day.

If you require further information in relation to the MCG restructure and its impact on the disposals of MCG stapled securities, please refer to the 2005 MCG Tax Statement Guide (a copy is included on the MCG website http://www.macquarie.com.au/au/mcg/acrobat/tax_guide_2005.pdf).

c) Splitting your sales proceeds

Regardless of how you acquired your MCG securities, you will also need to split the sales proceeds into the part referable to the units in MCIT, the part referable to the shares in MCIL and the part referable to the shares in MMCGIL. MCIML is of the view that the allocation of value between the entities up to 30 June 2009 was as detailed in Appendix 2. To determine the split of the sales proceeds of your MCG securities between MCIT, MCIL and MMCGIL, you may wish to refer to the relevant percentage split for the month in which you disposed of your MCG securities.

Tax-deferred distributions

Tax-deferred distributions reduce the cost base and reduced cost base of a unit. If the tax-deferred distributions received are of such magnitude that the cost base of a unit is reduced to zero, further such receipts would themselves constitute capital gains.

Parts of the distributions made by MCIT were tax-deferred, and reduced the cost base and the reduced cost base for CGT purposes of your units in MCIT. It is possible that the tax-deferred distributions made by MCIT up to 30 June 2009 would have exceeded the cost base of your MCIT units.

Please refer to Appendix 3 which sets out the tax-deferred amounts distributed by MCIT. Please also note that neither MCIL nor MMCGIL has ever made any tax-deferred distributions.

Inclusions in cost base

Don't forget that any incidental costs of acquisition and disposal (such as broker fees and stamp duty) should be included in the cost base and reduced cost base of your units and shares.

The operation of the CGT provisions is complex. You may wish to read the ATO's publications referred to in question 18 of the TaxPack 2009 supplement, which are available on its website, and/or obtain professional assistance to ensure you deal with the CGT issues correctly in your 2009 Australian income tax return.

Other general comments

If you are an individual

If you are an individual and in the year ended 30 June 2009 you sold, or entered into a contract to sell, your MCG securities, then your CGT result in respect of that sale should generally be as follows in respect of your units in MCIT and your shares in each of MCIL and MMCGIL:

- If you held your units or shares for less than 12 months¹: your CGT gain or loss is the difference between your sales proceeds and your cost base or reduced cost base (as reduced by the receipt of any tax-deferred amounts); or
- If you held your units or shares for 12 months¹ or more, and your sales proceeds were less than your reduced cost base (as reduced by the receipt of any tax-deferred amounts): your CGT loss is the difference between the two amounts; or
- If you held your units or shares for 12 months¹ or more, and your sales proceeds exceeded your cost base (as reduced by the receipt of any tax-deferred amounts): your CGT gain is computed using the discount method.

The discount method

Under the discount method, your CGT gain is called a "discount capital gain". Provided you are an individual and the discount applies to you and you have no CGT losses, the CGT gain will be equal to half of the excess of your sales proceeds over your cost base (as reduced by the receipt of any tax-deferred amounts).

Completing your 2009 Australian income tax return

If you are an individual, the following comments will help you deal with TaxPack 2009 and associated publications.

You will need the TaxPack 2009 supplement. Question 18 on page s15 in the TaxPack 2009 supplement assists you to complete your 2009 Australian income tax return for individuals in relation to CGT. The question asks you about capital gains, and suggests you might need to get further ATO publications, which are available on its website.

If you are not an individual

If you are not an individual and if you disposed, or entered into a contract to dispose, of your investment in MCG securities in the year ended 30 June 2009, the ATO publications mentioned above may assist you. Alternatively, you may choose to have your tax agent complete your return. The ATO website can assist you in finding a tax agent. Please bear in mind that it is possible that some security holders had capital gains in the year ended 30 June 2009 from the receipt of tax-deferred distributions from MCIT, even though they may not have disposed of their MCG securities. This is explained under "Tax-deferred distributions" on pages 17 and 19 of this Guide.

1 The ATO measures the period of 12 months for this purpose exclusive of both the acquisition date and the disposal date

Part B: Appendix 1

MCG Issue Prices

Split of MCG issue prices (to 30 June 2009) between MCIT, MCIL and MMCGIL

Date of Issue	Type of Issue	Issue Price per Stapled Security		Issue Price of Unit in MCIT		Issue Price of Share in MCIL		Issue Price of Share in MMCGIL	
		\$	%	\$	%	\$	%	\$	%
13 August 2002	Initial Placement	2.00	100	1.98	99.00	0.02	1.00	0.00	0.00
12 August 2003	Dividend and Distribution Reinvestment Plan (DRP)	2.86	100	2.32	81.26	0.54	18.74	0.00	0.00
12 February 2004	DRP	3.12	100	2.51	80.50	0.61	19.50	0.00	0.00
12 August 2004	DRP	3.73	100	3.01	80.56	0.72	19.44	0.00	0.00
5 January 2005	Retail Entitlement Offer	4.70	100	3.59	76.39	1.11	23.61	0.00	0.00
5 January 2005	Institutional Placement	5.40	100	4.13	76.39	1.27	23.61	0.00	0.00
25 January 2005	Retail Entitlement Offer	4.70	100	3.59	76.39	1.11	23.61	0.00	0.00
25 January 2005	Institutional Placement	5.40	100	4.13	76.39	1.27	23.61	0.00	0.00
14 February 2005	DRP	5.69	100	3.14	55.22	1.35	23.68	1.20	21.10
16 February 2007	DRP	5.95	100	1.98	33.24	2.48	41.76	1.49	25.00
30 April 2007	Institutional Placement	6.10	100	2.03	33.21	2.58	42.35	1.49	24.44
19 June 2007	Institutional Placement	6.10	100	1.94	31.77	2.84	46.65	1.32	21.58
27 June 2007	Share Purchase Plan	6.10	100	1.94	31.77	2.84	46.65	1.32	21.58
14 August 2007	DRP	5.80	100	1.82	31.46	2.52	43.42	1.46	25.12
14 February 2008	DRP	4.81	100	1.41	29.35	2.21	45.92	1.19	24.73
15 August 2008	DRP	2.96	100	0.95	31.92	1.33	45.09	0.68	22.99

- 1 Where security holders have received securities under the DRP in respect of securities sourced on market, the relevant monthly allocation split as detailed in Part B Appendix 2 should be used for calculating their cost base.

Part B, Appendix 2

MCG allocation of trade prices to 30 June 2009 as estimated by MCIML (in its capacity as the Responsible Entity of MCIT, the Manager of MCIL and the Advisor of MMCGIL)

Percentage of a value of a MCG security which related to	A Unit in MCIT	A Share in MCIL	A Share in MMCGIL ²
13 August 2002 to 30 June 2003 ¹	\$1.98	Remainder of trade price	N/A
Jul 03	81.26%	18.74%	N/A
Aug 03	80.75%	19.25%	N/A
Sep 03	80.93%	19.07%	N/A
Oct 03	81.18%	18.82%	N/A
Nov 03	81.35%	18.65%	N/A
Dec 03	80.50%	19.50%	N/A
Jan 04	79.72%	20.28%	N/A
Feb 04	79.89%	20.11%	N/A
Mar 04	80.03%	19.97%	N/A
Apr 04	80.16%	19.84%	N/A
May 04	80.25%	19.75%	N/A
Jun 04	80.56%	19.44%	N/A
Jul 04	79.92%	20.08%	N/A
Aug 04	76.88%	23.12%	N/A
Sep 04	76.54%	23.46%	N/A
Oct 04	76.70%	23.30%	N/A
Nov 04	76.71%	23.29%	N/A
Dec 04	76.39%	23.61%	N/A
1 January 2005 to 26 January 2005	76.39%	23.61%	N/A
27 January 2005 (MCG Restructure) ² to 31 January 2005	55.22%	23.68%	21.10%
Feb 05	55.55%	25.03%	19.42%
Mar 05	55.83%	25.01%	19.16%
Apr 05	55.67%	25.02%	19.31%
May 05	56.54%	24.62%	18.84%
Jun 05	57.57%	24.34%	18.09%
Jul 05	59.72%	18.28%	22.00%
Aug 05	57.06%	19.60%	23.34%
Sep 05	58.27%	19.02%	22.71%

Percentage of a value of a MCG security which related to	A Unit in MCIT	A Share in MCIL	A Share in MMCGIL ²
Oct 05	57.88%	19.16%	22.96%
Nov 05	58.42%	19.04%	22.54%
Dec 05	37.99%	41.76%	20.25%
Jan 06	36.53%	42.40%	21.07%
Feb 06	37.23%	41.84%	20.93%
Mar 06	36.24%	42.60%	21.16%
Apr 06	36.58%	42.47%	20.95%
May 06	36.01%	42.71%	21.28%
Jun 06	35.78%	42.74%	21.48%
Jul 06	33.94%	40.14%	25.92%
Aug 06	33.51%	41.00%	25.49%
Sep 06	33.98%	43.62%	22.40%
Oct 06	33.29%	43.53%	23.18%
Nov 06	33.33%	43.37%	23.30%
Dec 06	33.24%	41.76%	25.00%
Jan 07	32.68%	41.67%	25.65%
Feb 07	32.54%	42.65%	24.81%
Mar 07	33.21%	42.35%	24.44%
Apr 07	30.90%	45.87%	23.23%
May 07	31.77%	46.65%	21.58%
Jun 07	31.46%	43.42%	25.12%
Jul 07	30.36%	45.92%	23.72%
Aug 07	29.07%	46.93%	24.00%
Sep 07	30.57%	46.07%	23.36%
Oct 07	32.17%	45.60%	22.23%
Nov 07	31.93%	45.60%	22.47%
Dec 07	29.35%	45.92%	24.73%
Jan 08	30.17%	45.58%	24.25%
Feb 08	30.64%	45.86%	23.50%
Mar 08	33.60%	43.24%	23.16%
Apr 08	34.51%	42.84%	22.65%
May 08	35.63%	42.42%	21.95%
Jun 08	31.92%	45.09%	22.99%
Jul 08	30.30%	45.12%	24.58%

Percentage of a value of a MCG security which related to	A Unit in MCIT	A Share in MCIL	A Share in MMCGIL ²
Aug 08	29.92%	45.92%	24.16%
Sep 08	27.31%	46.64%	26.05%
Oct 08	26.32%	46.54%	27.14%
Nov 08	26.49%	46.84%	26.67%
Dec 08	30.93%	45.80%	23.27%
Jan 09	27.86%	46.00%	26.14%
Feb 09	29.02%	44.60%	26.38%
Mar 09	30.05%	44.66%	25.29%
Apr 09	31.05%	43.81%	25.14%
May 09	31.97%	43.24%	24.79%
Jun 09	32.65%	43.20%	24.15%

- 1 If the listed price was below \$1.98 per MCG security between listing and 30 June 2003, the value attributable to a share in MCIL was nil and the value attributable to a unit in MCIT was the traded price.
- 2 From 27 January 2005, MCG became a triple stapled security – ie a unit in MCIT is stapled to a share in MCIL and to a share in MMCGIL. Prior to this date, MCG was a double stapled security – ie a unit in MCIT was stapled to a share in MCIL.

Part B, Appendix 3

Tax-deferred distributions

Tax-deferred distributions made by MCIT

Distribution Payment Date	Tax-deferred amount of distribution per unit
12 February 2003	7.5000 cents
12 August 2003	8.0000 cents
12 February 2004	2.4091 cents
12 August 2004	6.1363 cents
27 January 2005	76.0356 cents
14 February 2005	11.4000 cents
12 August 2005	14.6000 cents
13 February 2006	9.4365 cents
14 August 2006	12.1071 cents
16 February 2007	9.9223 cents
14 August 2007	11.3738 cents
14 February 2008	13.8160 cents
15 August 2008	8.5375 cents
13 February 2009	4.6801 cents
22 July 2009	50.0000 cents

Part C: Foreign Investment Funds

You do NOT need to read this Part C if you are an individual who was a resident of Australia for income tax purposes during the year ended 30 June 2009 (as you have already dealt with foreign investment funds in Part A).

MMCGIL being a company that is not a resident of Australia for Australian tax purposes, is a foreign investment fund or a "FIF". Therefore, if you held any MCG securities at 30 June 2009, you are regarded as holding an interest in a FIF (MMCGIL) for Australian tax purposes.

On the basis that shares in MMCGIL were listed on the ASX at 30 June 2009 in a class of entities designated as being engaged in "Media" activities, it is considered that a MMCGIL shareholder is entitled to an exemption from FIF taxation under section 497 of the Income Tax Assessment Act 1936 for the year ended 30 June 2009.

IMPORTANT NOTE

Any investor in MCG that either individually or with associates had a 10% or greater interest in MCG at any time should seek further assistance from your tax advisor and if you need further factual information you should contact James Dyckhoff on (02) 8232 4424.

If you are unsure whether you held such an interest, you should consult your tax advisor.

Part D: Tax Implications of MCG Scheme by CPPIB

Important Information for your 2010 Australian income tax return

If you disposed of your securities between 1 July 2009 and 7 July 2009 . . .

If you disposed of your MCG securities through the Australian Securities Exchange between 1 July 2009 and 7 July 2009 (prior to the Scheme by CPPIB), you will need to calculate your gain or loss in relation to that disposal for the purposes of completing your 2010 Australian income tax return. Part B of this Guide should assist you. To calculate the split of your sales proceeds and/or acquisition cost, MCIML is of the view that the splits provided for 30 June 2009 in Part B, Appendix 2 are also applicable for the period 1 July 2009 to 7 July 2009.

If you participated in the Scheme by CPPIB . . .

Under the terms of the Scheme by CPPIB, MCG security holders received cash of \$3.00 per MCG security, comprising \$0.50 per MCG security as a special capital distribution from MCIT and \$2.50 per MCG security as consideration for disposal of the MCG security.

While many security holders hold investments such as MCG securities on capital account, in certain circumstances, including where your MCG securities were held as part of the assets of a business, the investment may have been held on revenue account.

If you believe that you held your MCG securities on revenue account, or you are in any doubt, you may wish to consult your tax advisor. The remainder of this Part D is concerned with CGT and your MCG securities.

CGT implications – resident security holders

Special capital distribution

The special capital distribution of \$0.50 from MCIT was a tax-deferred distribution. It is not included as consideration for the disposal of your MCG securities. However, like all tax-deferred distributions, it reduced the cost base and reduced cost base of your MCIT units. Please refer to pages 17 to 19 of Part B of this Guide for further details on how to treat tax-deferred distributions.

Disposal of MCG securities

Although the MCG securities are stapled, for Australian income tax purposes each MCIL share, MMCGIL share and MCIT unit are separate CGT assets. CGT Event A1 was triggered for MCG security holders upon disposal of their MCG securities to CPPIB. Disposal occurred on 21 July 2009, being the Scheme Implementation Date. The disposal of MCG securities therefore occurred in the financial year ending 30 June 2010 and should be taken into account in your 2010 Australian income tax return.

A capital gain is made in respect of the disposal of a share / unit where the capital proceeds for the share / unit exceed the cost base of the share / unit, and a capital loss is incurred where the capital proceeds for the share / unit are less than the reduced cost base of the share / unit.

The capital proceeds will be equal to the cash consideration received per MCG security. The consideration for disposal of an MCG security (being \$2.50) is split as follows based on the offer from CPPIB calculated with reference to the net asset values of each of MCIL, MCIT and MMCGIL as a percentage of the whole of MCG at 31 March 2009:

- \$1.13 cash for each MCIL share;
- \$0.62 cash for each MMCGIL share; and
- \$0.75 cash for each MCIT unit.

To determine the cost base for each MCIL share, MMCGIL share and MCIT unit, the consideration paid to acquire the MCG security should be apportioned between the MCIL share, MMCGIL share and MCIT unit on a reasonable basis. Part B, Appendix 1 sets out all the relevant dates and prices at which MCG securities have been issued and shows the proportion of the issue price of each MCG security that related to a unit in MCIT, a share in MCIL and a share in MMCGIL. If you acquired your MCG securities through the Australian Securities Exchange, MCIML is of the view that the allocation of MCG trading prices between the entities up to 30 June 2009 was as detailed in Part B, Appendix 2. To determine the split of the acquisition cost of your MCG securities between MCIT, MCIL and MMCGIL, you may want to refer to the relevant percentage split of the month in which you acquired your MCG securities. If you acquired your MCG securities in the period 1 July 2009 to 7 July 2009, MCIML is of the view that the splits provided for 30 June 2009 in Part B, Appendix 2 are also applicable for this period. Please refer to Part B of this Guide for further details on how to work out your cost base for each MCIL share, MMCGIL share and MCIT unit.

MCG security holders who are individuals, trusts or complying superannuation entities may be entitled to the CGT discount where they have held the relevant MCG securities for 12 months or more². The discount is 50 per cent for individuals and most trusts and 33 1/3 per cent for complying superannuation entities. Companies are generally not entitled to a CGT discount.

Capital losses incurred in an income year may be offset against capital gains derived in the same income year. Capital losses should be applied against gross capital gains (i.e. prior to applying any CGT discount). Excess capital losses can be carried forward and used to offset capital gains derived in subsequent income years (subject to certain loss tests for companies and some trusts).

CGT implications – non-resident MCG security holders

Broadly, non-residents will only be subject to the Australian CGT provisions where the MCG securities constitute taxable Australian property, subject to the application of any relevant Double Taxation Agreement. Each MCIL share, MMCGIL share and MCIT unit will only constitute taxable Australian property where:

- MCG securities have been used by the non-resident in carrying on a business in Australia through a permanent establishment; or

Both the following conditions are satisfied:

- the foreign resident, together with their associates, owns 10 per cent or more of the relevant MCG entity at the time of disposal, or at any time in a 12-month period during the two years that preceded the time of disposal; and
- at the time of disposal, more than 50 per cent of the market value of MCIL, MMCGIL or MCIT's assets comprise taxable Australian real property (i.e. real property situated in Australia).

For most non-resident security holders, the shares in MCIL and MMCGIL and units in the MCIT should not constitute taxable Australian property because of the above 10 per cent test. As such, most non-residents who do not hold their investment through an Australian permanent establishment should not be subject to Australian CGT on disposing of the securities.

Any non-resident investor in MCG that individually, or with associates had a 10% or greater interest in MCG at any time should seek further assistance from their tax advisor. If you need further factual information you should contact James Dyckhoff on (02) 8232 4424. If you are unsure as to whether you hold such an interest, you should consult your tax advisor.

² The ATO measures the period of 12 months for this purpose exclusive of both the acquisition date and the disposal date.

History of MCG distributions to date per MCG security

12 February 2003 Comprised of:	7.5000 cents, all from MCIT Tax-deferred distribution	per MCG security 7.5000 cents
12 August 2003 Comprised of:	8.0000 cents, all from MCIT Tax-deferred distribution	per MCG security 8.0000 cents
12 February 2004 Comprised of:	11.2000 cents, all from MCIT Australian interest income Tax-deferred distribution	per MCG security 8.7909 cents 2.4091 cents
12 August 2004 Comprised of:	11.8000 cents 9.5000 cents from MCIT Australian interest income Tax-deferred distribution	per MCG security 3.3637 cents 6.1363 cents
Comprised of:	2.3000 cents from MCIL Unfranked dividend income	2.3000 cents
27 January 2005 Comprised of:	76.0356 cents, all from MCIT Tax-deferred (in specie) distribution	per MCG security 76.0356 cents
14 February 2005 Comprised of:	14.4000 cents 11.4000 cents from MCIT Tax-deferred distribution	per MCG security 11.4000 cents
Comprised of:	3.0000 cents from MCIL Unfranked dividend income	3.0000 cents
12 August 2005 Comprised of:	14.6000 cents, all from MCIT Tax-deferred distribution	per MCG security 14.6000 cents
13 February 2006 Comprised of:	19.5000 cents 16.2500 cents from MCIT Australian interest income Foreign source interest income Tax-deferred distribution	per MCG security 5.8172 cents 0.9963 cents 9.4365 cents
Comprised of:	3.2500 cents from MCIL Unfranked dividend income	3.2500 cents

14 August 2006	19.5000 cents	per MCG security
Comprised of:	13.5000 cents from MCIT	
	Australian interest income	1.0548 cents
	Foreign source interest income	0.3381 cents
	Tax-deferred distribution	12.1071 cents
		<hr/>
		13.5000 cents
Comprised of:	6.0000 cents from MCIL	
	Unfranked dividend income	6.0000 cents
		<hr/>
		6.0000 cents
16 February 2007	21.0000 cents	per MCG security
Comprised of:	14.0000 cents from MCIT	
	Australian interest income	3.5267 cents
	Foreign source income	0.5510 cents
	Tax-deferred distribution	9.9223 cents
		<hr/>
		14.0000 cents
Comprised of:	7.0000 cents from MCIL	
	Unfranked dividend income	7.0000 cents
		<hr/>
		7.0000 cents
14 August 2007	21.0000 cents	per MCG security
Comprised of:	15.5000 cents from MCIT	
	Australian interest income	1.8473 cents
	Foreign source income	2.2789 cents
	Tax-deferred distribution	11.3738 cents
		<hr/>
		15.5000 cents
Comprised of:	5.5000 cents from MCIL	
	Unfranked dividend income	5.5000 cents
		<hr/>
		5.5000 cents
14 February 2008	23.0000 cents	per MCG security
Comprised of:	21.0000 cents from MCIT	
	Australian interest income	4.4714 cents
	Foreign source income (in the "other" class, after grossup for foreign tax suffered of 0.0762 cents per MCG security)	2.7126 cents
	Tax-deferred distribution	13.8160 cents
		<hr/>
		21.0000 cents
	Foreign tax credit entitlement attached to distribution	0.0762 cents
Comprised of:	2.0000 cents from MCIL	
	Unfranked dividend income	2.0000 cents
		<hr/>
		2.0000 cents

15 August 2008	23.0000 cents	per MCG security
Comprised of:	19.0000 cents from MCIT	
	Australian interest income	4.9306 cents
	Foreign source income (in the "other" class, after gross-up for foreign tax suffered of 0.0763 cents per MCG security)	5.5319 cents
	Tax-deferred distribution	8.5375 cents
		<hr/>
		19.0000 cents
	Foreign tax credit entitlement attached to distribution	0.0763 cents
		<hr/>
Comprised of:	4.0000 cents from MCIL	
	Unfranked dividend income	4.0000 cents
		<hr/>
		4.0000 cents
13 February 2009	5.0000 cents	per MCG security
Comprised of:	5.0000 cents from MCIT	
	CGT concession amount	0.3199 cents
	Tax-deferred distribution	4.6801 cents
		<hr/>
		5.0000 cents
22 July 2009	50.0000 cents	per MCG security
Comprised of:	50.0000 cents from MCIT	
	Tax-deferred distribution	50.0000 cents
		<hr/>
		50.0000 cents

Australian interest income distributed by MCIT per the above table is classed as Australian non-primary production income in the MCG Annual Tax Statement.

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