



MACQUARIE KOREA INFRASTRUCTURE FUND

Full Year Results to 31 December 2009

1 February 2010



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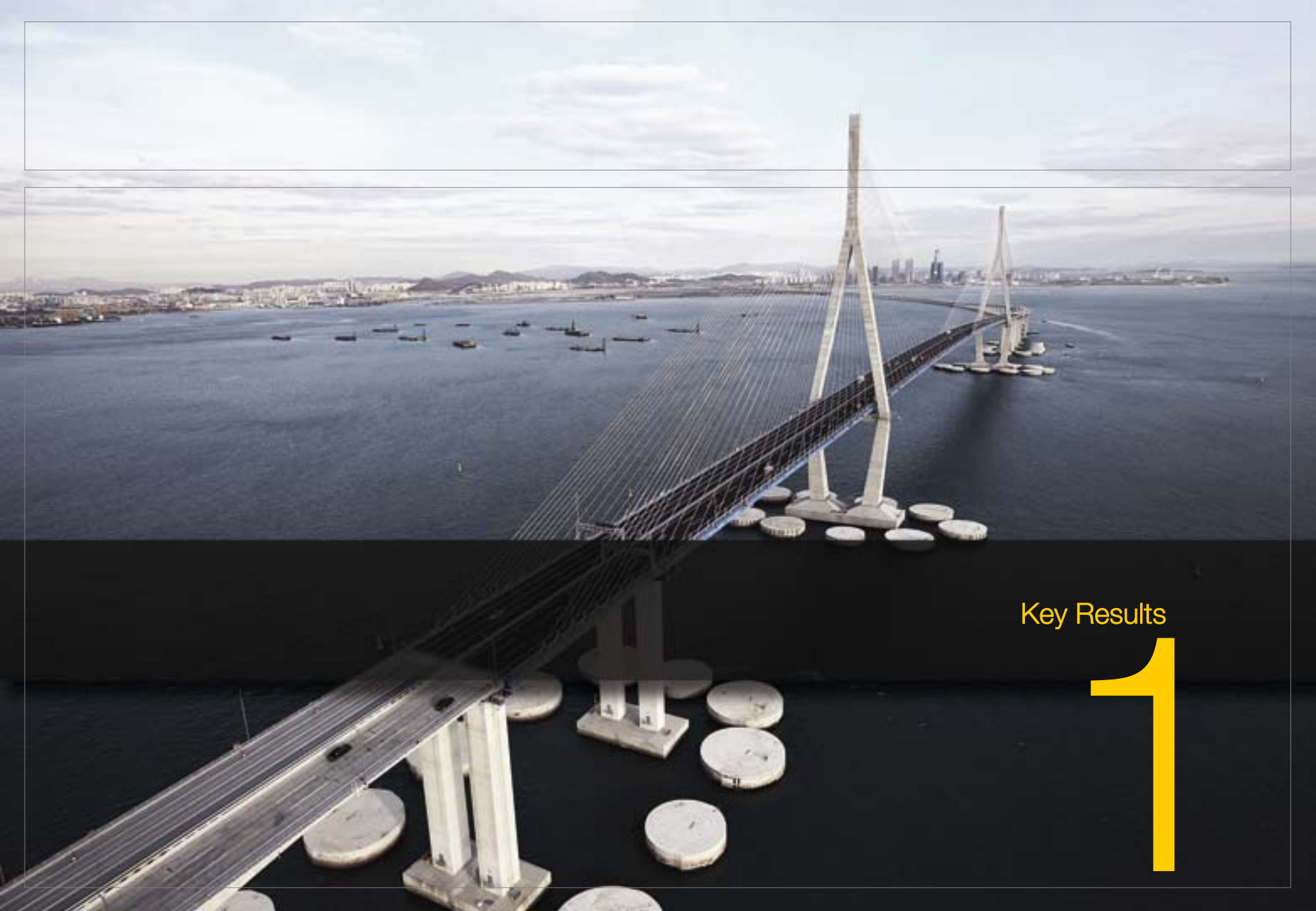
Key Results

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Key Results



RESULTS OVERVIEW

Another year of solid performance



✓ ACHIEVED SOLID FINANCIAL AND OPERATIONAL RESULTS

- Traffic volume¹ and revenue¹ growth of **3.0%** and **4.8%** respectively compared with the previous corresponding period (“pcp”)
- Normalised² revenue and EBITDA growth of **1.2%** and **5.2%** respectively on pcp
- Proportionate EBITDA margin of **86%**³ across the portfolio compared with 85% in 2008

✓ DERISKING OF THE PORTFOLIO THROUGH SUCCESSFUL ASSET OPENINGS

- Four new assets⁴ commenced operation in 2009 all on time and on budget
- **85%** of the portfolio now under operation⁵
- Traffic performance of the new assets to date in line with management expectations

✓ FINANCIAL STRENGTH PRESERVED THROUGH PROACTIVE MANAGEMENT OF CAPITAL

- Refinancing risk minimised through extension of the corporate loan maturity to end of 2014
- Successful recycling of non-core assets to help to fund commitments
- Distribution aligned with earnings in response to market conditions giving MKIF financial strength and flexibility

✓ HEALTHY BALANCE SHEET POSITION (as at 31 December 2009)

- Certainty of minimum performance on MRG (minimum revenue guarantee) backing on substantially all of MKIF’s operating cash receipts
- Conservative debt profile and scheduled de-gearing of asset level debt
- Proportionately consolidated cash balance of **KRW 461bn** (including corporate level cash balance of **KRW 240bn**)

1. On a weighted average basis based on revenue size of each asset and the MKIF’s equity interest in each concession company. Excludes all new assets which have commenced operation since July 2009

2. Adjusted to remove (i) capital loss of KRW3.6bn incurred in 2009 and (ii) capital gain of KRW79.4bn in 2008

3. Asset level EBITDA on a proportionate basis, excluding all new assets which have commenced operation in 2008 and 2009. Estimated, unaudited figure.

4. Excludes Seosuwon-Osan-Pyungtaek Expressway (SOPE)

5. Based on commitment amount

UNDERLYING ASSET PERFORMANCE

Improved operating performance



TRAFFIC VOLUME GROWTH¹

3.0%

TRAFFIC REVENUE GROWTH¹

4.8%

EBITDA MARGIN²

86%

PORTFOLIO AGE³

4 years

	2009				2008			
	Average daily traffic volume		Average daily traffic revenue		Average daily traffic volume		Average daily traffic revenue	
	Vehicles/day	% change on pcp	KRW thousand/day	% change on pcp	Vehicles/day	% change on pcp	KRW thousand/day	% change on pcp
Incheon International Airport Expressway	62,165	(4.3%)	359,025	(4.3%)	64,956	(5.5%)	375,192	(2.4%)
Baekyang Tunnel	66,523	(0.7%)	48,426	(1.2%)	66,989	(2.8%)	49,001	4.6%
Gwangju Second Beltway, Section 3-1	29,091	14.5%	25,242	23.7%	25,411	14.9%	20,414	14.4%
Gwangju Second Beltway, Section 1	34,576	(3.3%)	34,261	9.7%	35,743	(2.7%)	31,241	(3.1%)
Woomyunsan Tunnel	23,479	11.1%	40,730	10.7%	21,137	8.6%	36,778	8.3%
Cheonan-Nonsan Expressway	34,437	6.9%	254,698	9.6%	32,209	(0.6%)	232,459	2.2%
Soojongsan Tunnel	39,283	(0.2%)	29,482	(1.0%)	39,343	(2.2%)	29,793	5.0%
Deagu 4th Beltway East	18,813	2.5%	18,865	2.5%	18,359	(3.3%)	18,403	(3.2%)
Machang Bridge ⁴	11,990	17.9%	24,247	11.5%	10,170	N/A	21,736	N/A
Weighted average growth rate		3.0%		4.8%		(1.6%)		1.5%

1. On a weighted average basis based on revenue size of each asset and the MKIF's equity interest in each concession company. Excludes all new assets which have commenced operation since July 2009
2. Estimated, unaudited figure. On a proportionate average basis based on MKIF's equity interest in each concession company. EBITDA margin=EBITDA/Operating Revenue where, revenue compensation and other compensations are reflected on cash basis. Excludes all new assets which have commenced operation in 2008 and 2009
3. Operation period of each concession company on a weighted average basis based on respective commitment amount
4. FY2008 figures annualised

FINANCIAL RESULTS

Delivery of steady growth



Audited, non-consolidated financial information

(Unit: KRW mn)

	FY2009	FY2008	% change
Revenue	153,978	235,064	
Interest & dividend income	157,818	154,870	1.9%
Capital gain (loss)	(3,575)	79,400 ¹	
Other income (loss)	(265)	794	
Expense	53,755	51,364	
Management fee	23,382	27,836	
Interest expense	22,961	16,235	
Performance fee	-	-	
Other expense	7,412	7,293	
EBITDA	123,184	199,935	
Net income	100,223	183,700	
Normalised Revenue	157,553	155,664	1.2%
Normalised Net Income ²	103,798	104,300	
Normalised EPS ^{2,3}	313	315	
Normalised EBITDA ²	126,759	120,535	5.2%

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

2. Adjusted to remove (i) capital loss of KRW3.6bn incurred in 2009 and (ii) capital gain of KRW79.4bn in 2008

3. Based on the number of shares outstanding of 331.5 mil shares. FY2008 EPS calculation adjusted to reflect share distribution in Feb 2009

NEWLY OPENED ASSETS

A successful transition into operation for the four new assets



- Represent **29%** of the portfolio, all completed on time and on budget
- All subject to MRG arrangement
- Weighted average traffic volume vs. Concession Agreement forecasted volume of **67%** to date¹
- Traffic results to date in line with expectations but remain cautious to ensure timely payments of sub-debt interests
- Only 1 out of 14 assets in the portfolio now remains under construction

	Yongin-Seoul Expressway	Seoul-Chuncheon Expressway	Seoul Subway Line 9, Section 1	Incheon Grand Bridge
Operation commencement	1 July 09	15 July 09	24 July 09	19 October 09
Average daily traffic ² (Vehicles/day)	38,933	30,432	138,010 ³	25,467
% of CA forecast traffic volume	50%	68%	83%	73%
Average daily traffic revenue ('000 krw)	62,381	190,326	101,376	123,188
Revenue Guarantee Threshold	70%	80% / 70% / 60% ⁴	90% / 80% / 70% ⁴	80%
% of MKIF portfolio	7.6%	7.6%	4.2%	9.2%

- Traffic pattern: Commuters and intercity travel
- Key growth drivers: a major residential developments underway

- Traffic pattern: Intercity travel (national expressway)
- Key growth drivers: Business and recreational/resort facility developments underway

- Traffic pattern: Commuters
- Key growth drivers: Extension of the subway line (Section 2 and 3) to the southeast end of Seoul within next 3 years

- Traffic pattern: international airport user demand and Youngong Island tourists
- Key growth drivers: Developments of commercial area of New Songdo International District in Incheon City and housing developments in Yongjong Island

1. On a weighted average basis based on total commitment amount. Average daily traffic from opening date to 31 December 2009
 2. Average daily traffic from opening date to 31 December 2009
 3. Average daily initial boarding from opening date to 31 December 2009. Initial boarding only (Excludes inter-change passengers)
 4. Step down every five years

CAPITAL MANAGEMENT

Maintaining proactive and prudent approach to capital management



✓ RECYCLING OF NON-CORE ASSETS

- Three transactions completed to help to fund commitments
- Generated total net cash proceeds to MKIF of KRW 250bn

✓ PRE-EMPTIVE DEBT MANAGEMENT

- KRW 500bn of corporate loan facility term extended until November 2014
- Eliminated refinancing needs for next five years
- Proved market's continued confidence in MKIF's credit quality

✓ APPROPRIATE CAPITAL MANAGEMENT THROUGH DISTRIBUTION RE-ALIGNMENT

- 2H09 distribution level reduced to W160 per share, aligning to earnings level
 - Represents current trading yield of 6.5%¹ after the distribution reduction
 - To improve distribution coverage on operating cashflows while maintaining the tax-exempt status
 - Consistent with lower operating cash receipts from the invested assets due to scheduled amortisation of asset level debt
 - Distribution coverage on cashflow to improve substantially with convergence expected in next 4 to 5 years

1. Based on closing share price of KRW 4,900 on 31 December 2009

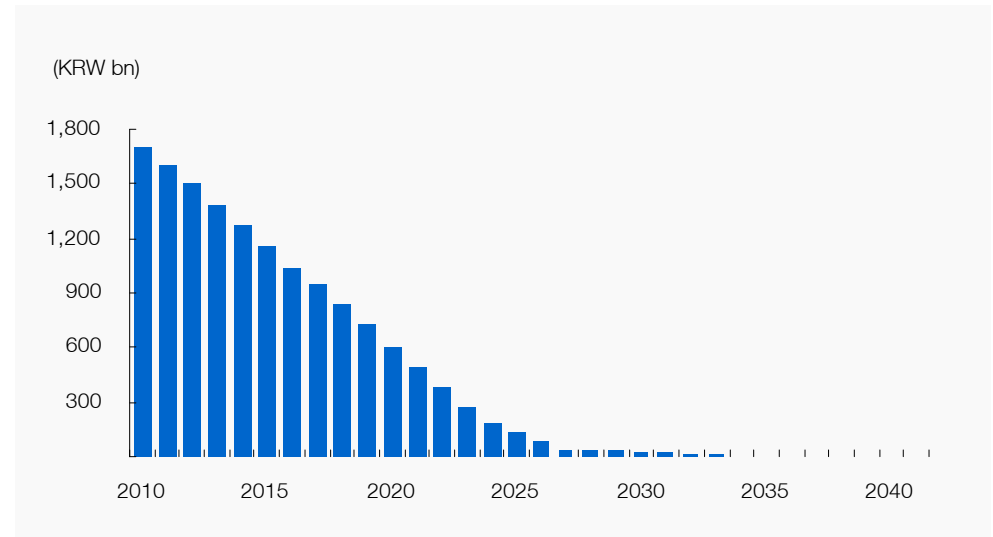
DEBT PROFILE

Conservatively positioned to withstand volatility in the credit market



AMORTISING MATURITY ¹	8.7 years
GEARING ²	49%
NET DEBT TO EBITDA ³	2.7x
INTEREST RATE HEDGE ⁴	59% until end of 2011
UNDRAWN CORPORATE LOAN FACILITY	KRW 120bn
OUTSTANDING COMMITMENT	KRW 154bn

OUTSTANDING DEBT BALANCE ⁵



1. Weighted average amortising maturity of the underlying asset level external debt

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

3. Proportionate average of operating assets. Excludes all new assets which have commenced operation in 2008 and 2009

4. Hedging (Fixed or swapped to fixed) = Proportionately consolidated MKIF net debt adjusted for fixed or swapped debt / Proportionately consolidated MKIF net debt

5. Outstanding debt balance based on amortisation schedule of asset level external debt on a proportionate equity shareholding basis. Excludes corporate loan facility

✓ **STRUCTURED TO DELIVER UNDERLYING GROWTH**

- Concessions designed to provide embedded growth in revenues during MRG period
- Remains a young portfolio with weighted average age of only 4 years
- Amortisation of asset level debt expected to release increasing cashflows to MKIF in the medium term

✓ **MAINTAIN CAUTIOUS BUT PROACTIVE STANCE ON CAPITAL MANAGEMENT**

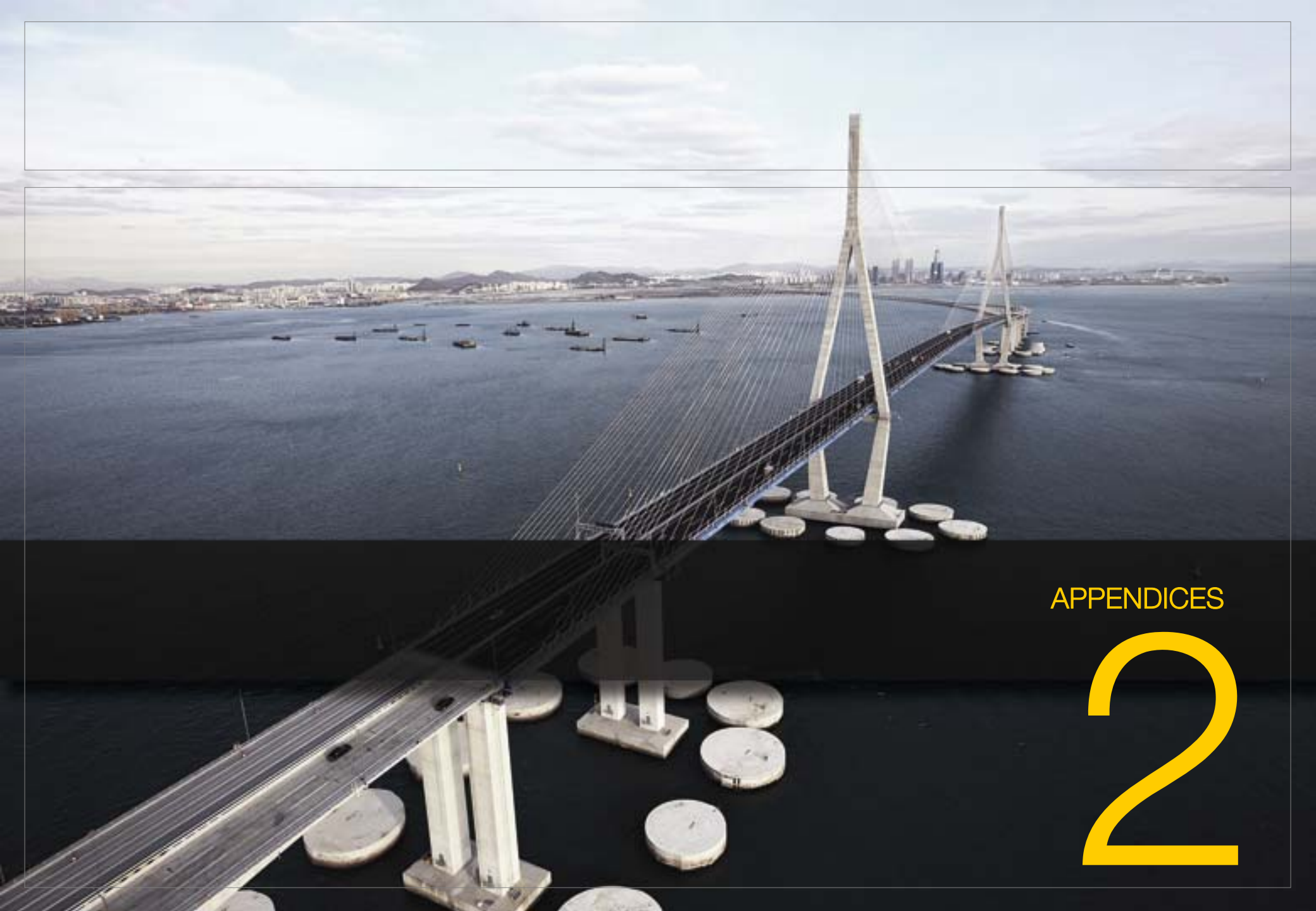
- Continue efforts on asset level refinancing to accelerate cash receipts from the invested assets
- Corporate loan repayment planned with surplus cash
- Ongoing distributions to closely track EPS in the near to medium term

✓ **FOCUS ON OPERATING PERFORMANCE**

- Traffic ramp-up of the newly opened assets
- Portfolio-wide efforts to control operating costs

✓ **NEW ACQUISITIONS**

- Review of pre-emptive positions to acquire equity stakes in newly opened assets



APPENDICES

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BALANCE SHEET

Audited, non-consolidated - as at 31 December 2009



(Unit: KRW mn)

	FY2009	FY2008
Total Assets	2,154,296	2,099,832
Invested Assets	1,964,784	1,929,621
Cash and deposits	239,694	182,412
Loans	1,112,570	1,144,656
Equity securities	612,520	602,553
Others (receivables, prepayments, etc.)	189,512	170,211
Total Liabilities	463,894	359,004
Accounts payables	7	9,606
Management fee payable	5,814	5,975
Long-term debts	380,087	340,523
Other liabilities	77,986	2,900
Total Shareholders' Equity	1,690,402	1,740,828
Total Liabilities and Shareholders' Equity	2,154,296	2,099,832

CAPITAL INJECTION INTO MKIF INVESTMENTS¹

Asset	Item	FY2009
Soojungsan Tunnel	Sub Debt	(5,396)
	Equity	18,240
Incheon Grand Bridge	Sub Debt	23,640
	Senior Debt	(113,063)
Woomyunsan Tunnel	Equity	(19,152)
	Sub Debt	9,576
Yongin-Seoul Expressway	Equity	3,500
	Sub Debt	4,600
Busan New Port	Equity	7,379
	Sub Debt	25,704
Baekyang Tunnel	Sub Debt	(47)
Seosuwon-Osan-Pyungtaek	Sub Debt	22,900
Total		(22,119)

1. Excluding transaction costs

CASHFLOW STATEMENT

Audited, non-consolidated - 12 Months to 31 December 2009



(Unit: KRW mn)

	FY2009	FY2008	% Change
Cashflows from operating activities:			
Cash inflows from operating activities	377,423	386,127	(2%)
Sale of investment	183,051	280,319	
Collection of other loans receivable	5,396	-	
Interest income and other	116,211	105,808	
Advanced receipt	72,765	-	
Cash outflows from operating activities:	(186,495)	(355,673)	(48%)
Investments	(146,571)	(314,485)	
Fees and expenses	(39,924)	(41,188)	
Net cash provided by (used in) operating activities	190,928	30,454	527%
Cashflows from financing activities:			
Repayment of long-term debt	(120,000)	(100,000)	
Drawdown from long-term debt	137,000	314,000	
Distributions paid	(150,646)	(145,571)	
Net cash provided by (used in) financing activities	(133,646)	68,429	(295%)
Net increase in cash and deposits	57,282	98,883	
Cash and deposits at beginning of the period	182,412	83,529	
Cash and deposits at end of the period	239,694	182,412	31%

PROFIT AND LOSS STATEMENT

Audited, non-consolidated - 12 Months to 31 December 2009



(Unit: KRW mn)

	FY2009	FY2008	% change
Revenue	153,978	235,064	(34.5%)
Interest income	157,818	154,388	2%
Arrangement fees	144	2,895	(95%)
Dividend income	-	482	-
Gain (Loss) on valuation of debt securities	-	(2,922)	-
Gain (Loss) on transactions	(3,575) ¹	79,400 ²	(104.5%)
Other Income	(409)	821	(149.8%)
Expense	53,755	51,364	4.7%
Management fee	23,382	27,836	(16%)
Interest expense	22,961	16,235	41.4%
Other expenses	7,412	7,293	1.6%
Net Profit	100,223	183,700	(45%)

1. Includes loss on securitisation (Tranche 1 and 2) of the deferred sub-debt interest on Cheonan-Nonsan Expressway

2. Includes gain on (i) securitisation of shareholders loan in Baekyang Tunnel of KRW24.5bn and (ii) divestment of the convertible bond in New Daegu Busan Expressway of KRW54.9bn

CAPITAL MANAGEMENT TRANSACTIONS IN 2009

Validation of intrinsic value and recycle story



SALE OF SENIOR LOAN

March 2009

Incheon Grand Bridge



SECURITISATION OF SUBORDINATED DEBT INTEREST RECEIVABLE

May 2009

Cheonan-Nonsan Expressway



SALE OF SUBORDINATED LOAN

July 2009

Seosuwon-Osan-Pyungtaek Expressway



DESCRIPTION

- Divestment of MKIF's senior loan commitment of KRW 188bn
- Net cash proceeds to MKIF of KRW 134.5bn, representing the amount which had been drawn up to the divestment date
- Securitisation of MKIF's interest receivable on the subordinated loans – 8 tranches of ABS to be issued over next 7 years with a combined face value of KRW 157bn¹
- First two tranches totaling KRW 30.1bn issued in May 2009
- Divestment of MKIF's subordinated loan commitment of KRW 80bn (Final drawdown amount of KRW 77.3bn)

TRANSACTION RATIONALE

- Recycling and exiting senior debt position
- Released trapped sub-debt interest to MKIF
- Attractive pricing
- Sale of a non-core asset

PRICING

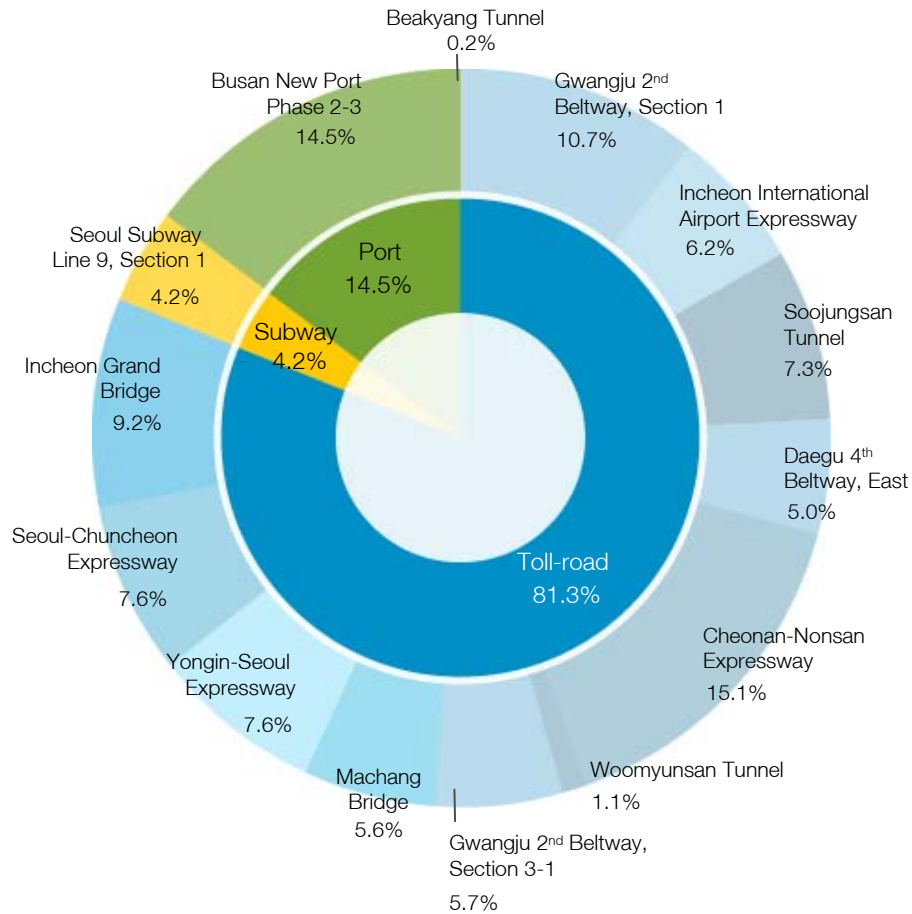
- Sold at book value in a very tight credit market
- Evidence of market's strong appetite for MKIF's assets
 - AA credit rating for subordinated cashflow without credit support
 - Competitive pricing in spite of unusual structure of callable (with lock-up period) zero-coupon ABS
- Sold at premium of KRW 8.4bn²

CASHFLOW

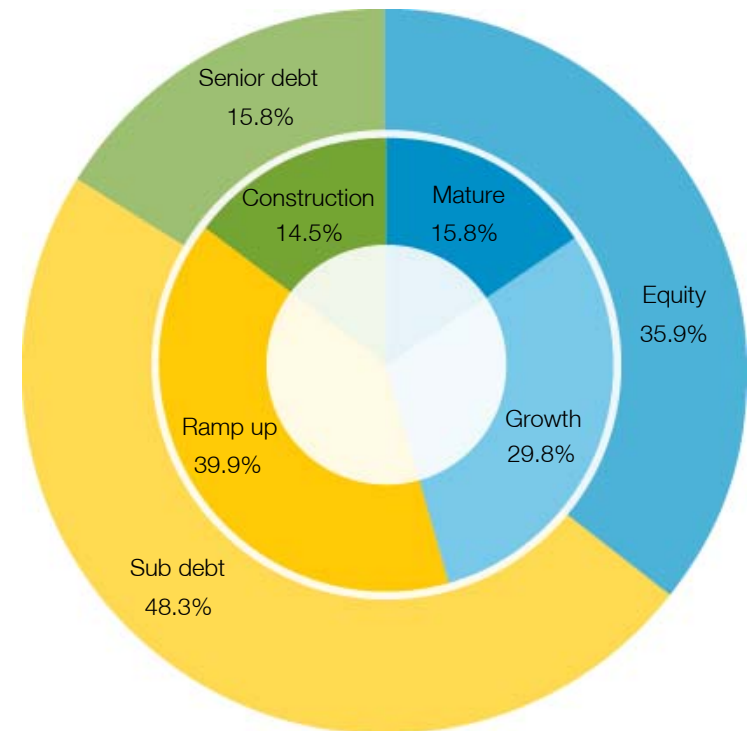
- Immediate net cash inflow of KRW 134.5bn
- Relief from undrawn commitment of KRW 53.5bn
- Immediate net cash inflow of KRW 29.4bn
- Net cash inflow of KRW 85.7

1. Assuming the market rates of the 'AA-' rated Korean corporate bonds as at 14 May 2009
 2. Resulting in KRW 8.4 billion of accounting income in 1Q 2010

Portfolio Composition by Asset¹



Portfolio Composition by Phase and Type



1. Based on commitment amount

PORTFOLIO

Balanced, diversified portfolio



As of 31 January 2010

MKIF COMMITMENT AND DEBT INTEREST RATE

(KRW bn, %)

Name	Abbrev.	Equity	Ownership (%)	Subordinated Debt	Interest Rate	Senior Debt	Interest Rate	Total
Baekyang Tunnel	BYTL	1.2	100.0	-	-	1.7	15.0	2.9
Gwangju 2nd Beltway Section 1	KBICL	13.1	100.0	35.2 ¹	20.0	142.0	10.0	190.3
Incheon International Airport Expressway	NAHC	58.2	24.1	51.7	13.9	-	-	109.9
Soojungsan Tunnel	SICL	47.1	100.0	19.3	20.0	64.8	8.5	131.2
Daegu 4th Beltway, East	D4	57.5	85.0	32.0	17.0	-	-	89.5
Cheonan-Nonsan Expressway	CNE	87.7	60.0	182.3	16.0	-	-	270.0
Woomyunsan Tunnel	WIC	10.7	36.0	9.6	20.0	-	-	20.3
Gwangju 2nd Beltway Section 3-1	KRRC	28.9	75.0	-	-	73.3	-	102.2
Machang Bridge	MCB	48.3	100.0	51.2	20.0	-	7.85	99.5
Yongin-Seoul Expressway	YSE	57.8 ²	35.0	77.0	13.0	-	-	134.8
Seoul-Chuncheon Expressway	SCE	48.6	15.0	87.4	11.6	-	-	136.0
Seoul Subway Line 9 Section 1	SM9	40.9	24.5	33.5	15.0	-	-	74.4
Incheon Grand Bridge	IGB	74.5	41.0	89.4	11.5	-	-	163.9
Busan New Port Phase 2-3	BNP	66.4	30.0	193.0	10.0	-	-	259.4
Total		640.9		861.6		281.8		1,784.3
Percentage (%)		35.9		48.3		15.8		100.0

1. Includes KRW 3.2bn working capital facility

2. Excludes MKIF's conditional commitment to acquire an additional 32% equity interest agreed with project sponsors

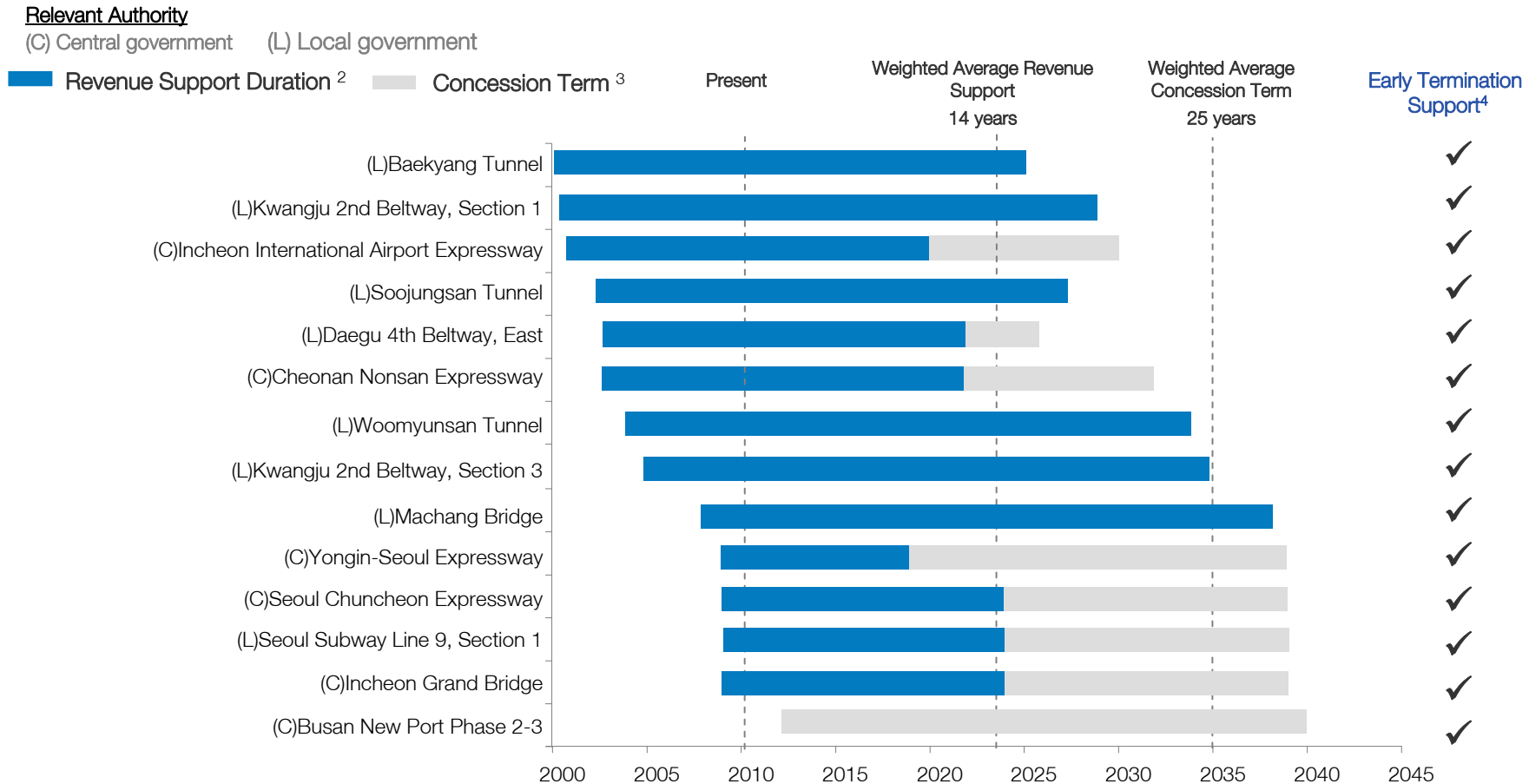
LONG-TERM CONCESSION PERIOD

Government support packages¹ underpin investment security



As of 31 January 2010

CONCESSION TERM VS. GOVERNMENT REVENUE SUPPORT PERIOD



1. Revenue support and termination payment provisions vary for each concession
2. Revenue support until at least 2023 with weighted average support remaining of about 14 years (excluding Busan New Port Phase 2-3)
3. Concessions last at least until 2035 with weighted average life remaining of over 25 years
4. Concession companies have the right to receive payments if the relevant concession agreement is terminated prior to expiration of the concession term, including termination due to events attributable to the concession company or the government body or for events of force majeure

OPERATING PERFORMANCE BY ASSET¹

12 Months to 31 December 2009



(Unit: KRW million)

Assets	2009 ²						2008					
	Operating Revenue ³	OPEX	EBITDA	Net Debt ⁴	EBITDA margin	Net Debt to EBITDA	Operating Revenue ³	OPEX	EBITDA	Net Debt ⁴	EBITDA margin	Net Debt to EBITDA
Gwangju Second Beltway, Section 1	26,531	(4,781)	21,751	(603)	82%	(0.0x)	23,105	(3,183)	19,292	(346)	83%	(0.0x)
Gwangju Second Beltway, Section 3-1	15,778	(3,439)	12,338	(8,568)	78%	(0.7x)	14,006	(3,157)	10,849	(2,465)	77%	(0.2x)
Soojongsan Tunnel	22,530	(2,622)	19,908	(9,667)	88%	(0.5x)	15,808	(2,566)	13,242	(4,361)	84%	(0.3x)
Baekyang Tunnel	21,425	(3,568)	17,856	159,104	83%	8.9x	20,298	(4,469)	15,829	164,823	78%	10.4x
Incheon International Airport Expressway	225,370	(17,548)	207,822	419,151	92%	2.0x	219,213	(21,417)	197,796	532,974	90%	2.7x
Cheonan-Nonsan Expressway	147,709	(22,941)	124,767	397,170	84%	3.2x	131,345	(19,914)	111,431	470,234	85%	4.2x
Woomyunsan Tunnel	21,307	(3,841)	17,466	96,772	82%	5.5x	21,553	(3,648) ⁵	17,905	74,948	83%	4.2x
Daegu 4 th Beltway East	23,654	(3,082)	20,572	78,586	87%	3.8x	21,317	2,649	18,668	88,711	88%	4.8x
Proportionate average⁶	31,629	(4,443)	27,186	72,920	86%	2.7x	28,404	(4,236)	24,167	83,905	85%	3.5x

1. Excludes all new assets which have commenced operation in 2008 and 2009

2. Management estimated, unaudited figures. Actual results may vary

3. Revenue compensation and other compensations from the relevant government authority are reflected on cash basis. Payments are typically received within 6 to 18 months after the end of the year to which they relate.

4. Excludes Shareholders loans

5. Adjusted to exclude costs related to capital restructuring in 4Q 2008

6. On a proportionate average basis based on MKIF's equity interest in each concession company.

DECLARATION/ PAYMENT

Semi-annual: As end of June and December

DISTRIBUTION FLOOR

Higher of taxable income or 100% of distributable accounting income – to maintain tax exempt status

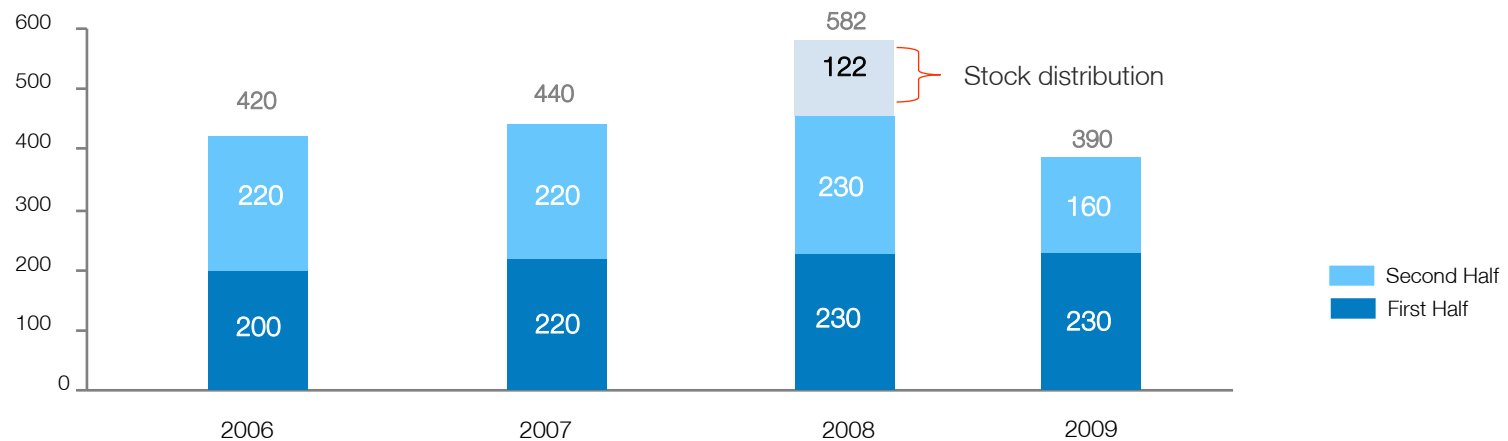
2009 DISTRIBUTION

KRW 390 per share

CASH YIELD

Circa 7.9%¹

DISTRIBUTION HISTORY (PER SHARE, POST-LISTING)



1. Based on the average closing price in 2009 and 2009 total distribution