

**MACQUARIE INTERNATIONAL
INFRASTRUCTURE FUND LIMITED**
INTERIM REPORT FOR THE PERIOD ENDED 30 JUNE 2009



MACQUARIE



Financial Highlights

Interim report for the six-month period to 30 June 2009

NET INCOME ON ADJUSTED BASIS

S\$28.6 million

	Half-year ended 30 June 2009 \$'000	Half-year ended 30 June 2008 \$'000
Revenue		
Total income from investments	24,156	43,076
Interest income	24	194
Net foreign exchange gain	7,705	3,707
Total revenue	31,885	46,977
Expenses		
Management fees	1,680	6,505
Directors' fees	217	153
Finance costs	411	1,325
Other operating expenses	973	5,675
Total operating expenses	3,281	13,658
Net income on an adjusted basis	28,604	33,319

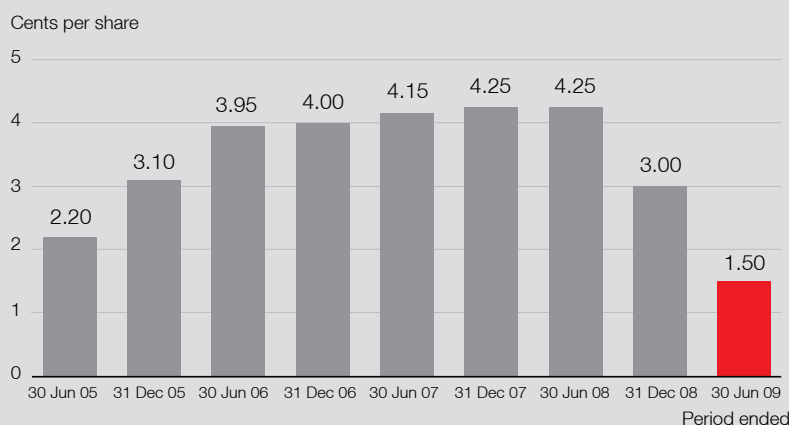
NET ASSETS

S\$0.87 per share

	Half-year ended 30 June 2009 \$m	Year ended 31 December 2008 \$m
Portfolio valuation	1,142.0	1,245.3
Cash	8.9	12.2
Receivables & other assets	4.6	28.4
Borrowings (including accrued interest)	(30.1)	(20.0)
Payables & other liabilities	(1.8)	(3.4)
Total non-investment balances	(18.4)	17.2
Total MIIF	1,123.6	1,262.5
Net Asset Value per share (\$ per share)	0.87	0.97

DIVIDENDS

1.50 cents per share



CEO's Letter

FINANCIAL HIGHLIGHTS

Macquarie International Infrastructure Fund Limited (MIIF) achieved a net income on an adjusted basis of S\$28.6 million for the six months ended 30 June 2009, down S\$4.7 million compared to the prior year.

The operating performance of the majority of MIIF's businesses remain strong, however, debt reduction and cash conservation measures at a number of businesses will continue to impact cash receipts to MIIF.

The decline in MIIF's net income is a direct result of the previous tightening of debt markets and deterioration in economies in Europe. The decrease in MIIF's net income on an adjusted basis was primarily due to:

- Lower investment income from Arqiva (down 62.7 per cent) and Macquarie European Infrastructure Fund (MEIF) (down 64.6 per cent) when compared to the prior year; and
- Timing difference in the receipt of distributions from Changshu Xinghua Port (CXP) (2008: S\$5.1 million), which are expected to be paid in the third quarter, also contributed to the lower income in the period.

The impact of MIIF's lower investment income was partially offset by:

- Net foreign exchange gain of S\$7.7 million primarily due to the realisation of some of MIIF's asset distribution hedges; and
- Lower total operating expenses of S\$3.3 million which were 76.0 per cent lower than the prior year, driven by lower management fees and reduced interest expenses.

MIIF's NAV per share as at 30 June 2009 was S\$0.87, compared with S\$0.97 as at 31 December 2008 (S\$0.88 as at 31 March 2009). The decrease for the six months was driven particularly by the material reduction in the fair value of Arqiva, MEIF, Canadian Aged Care (CAC) and to a lesser extent CXP. The reduction in the fair value of these businesses was partially offset by foreign exchange driven gains across the portfolio.

Revaluation losses of S\$95.5 million for the six months ended 30 June 2009 were reported in MIIF's statutory accounts. These unrealised losses do not impact MIIF's cash flows or its ability to pay a dividend in the current period.

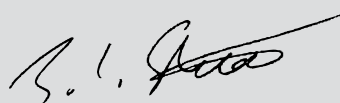
While there have been improvements in macro-economic indicators, trading conditions for a number of MIIF businesses remain uncertain. Should these conditions persist, and the availability of debt funding remains constrained, then there may be further pressure on MIIF's net assets values in future.

PORTFOLIO OUTLOOK

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

Given the continued volatility in market conditions, MIIF maintains a conservative approach to capital management and is focused on ensuring its businesses are appropriately placed for the current environment.

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



John Stuart

Chief Executive Officer
Macquarie Infrastructure Management (Asia) Pty Limited
Manager of Macquarie International Infrastructure Fund Limited

Arqiva



Canadian Aged Care (CAC)



MIIF beneficial interest at 30 June 2009: **8.7%**

MIIF beneficial interest at 30 June 2009: **55%**

INTERIM RESULTS

(£'million)	Six months to June 2009	Six months to June 2008	Variance Fav/(Adv)
Revenue	413.4	386.2	7.0%
Operating expenses	(254.0)	(240.0)	(5.8%)
EBITDA ¹	159.4	146.2	9.0%
EBITDA margin	38.6%	37.9%	0.7%

INTERIM RESULTS

(C\$'million)	Six months to June 2009	Six months to June 2008	Variance Fav/(Adv)
Revenue	130.5	117.8	10.8%
Operating expenses	(116.3)	(103.6)	(12.3%)
EBITDA	14.2	14.2	–
EBITDA margin	10.9%	12.1%	(1.2%)

OPERATIONS

- The joint venture between T-Mobile UK and 3 UK formed to create and manage what will be the UK's most extensive 3G network, has selected Arqiva as its strategic partner for the provision of wireless sites. Under the terms of the 10-year agreement, Arqiva will provide Mobile Broadband Network Limited with 5,100 sites and will have exclusive marketing rights for site sharing services on a further 2,500 sites.
- The multiplex channel platform represents a key growth opportunity for Arqiva. During the period we saw the successful launch of a new aggregated channel on Multiplex D. Platform upgrades have provided Arqiva with significant additional capacity which allowed the aggregation of time slots from different broadcasters for the launch of an additional channel on the Freeview platform.

OPERATIONS

- Occupancy levels have remained high for the period ended June 2009, with average total occupancy of 98.1% and private accommodation occupancy of 94.6%. This compares with 98.1% and 92.1% respectively for the prior corresponding period.

OUTLOOK

- The key objective for management is to ensure the continued success of the integration process, whilst ensuring that digital switch over continues to track according to plan. In addition, Arqiva is focused on identifying suitable new business opportunities that will deliver sustainable future growth for the business.
- Operationally, Arqiva's businesses are anticipated to perform solidly with the Satellite and Media division anticipated to continue the strong growth delivered in 2008.
- On 30 June 2009, Canada Pension Plan Investment Board's (CPPIB) formal cash offer to acquire all the stapled securities of Macquarie Communications Infrastructure Group (MCG) was accepted by MCG shareholders. As a result of this transaction, CPPIB will acquire a 48% shareholding in Arqiva.
- If debt markets remain challenging it may be necessary for borrowing levels at Arqiva to be reduced. The board and management continue to review alternatives to ensure a sustainable capital structure. This may impact upon the level of distributions in the future.

OUTLOOK

- CAC anticipates continued high levels of occupancy as well as continuing growth in the accommodation rate of private rooms.
- In July 2007, the Ministry of Health and Long-Term Care (MOHLTC) announced a 10-year capital funding plan to provide for the redevelopment of 35,000 Class B and Class C LTC beds so that they may attain Class A standards. This initiative will be implemented through at least five rounds of redevelopment, requiring LTC operators to submit applications for funding. This program will enable LTC operators to improve the overall quality and comfort of accommodation available to residents, and receive higher funding rates.
- In July 2009, the Ministry of Health advised that an additional C\$43 million in one-time funding will be provided in the 2009-2010 fiscal year (retroactive to April 1 2009) under the Other Accommodation portion of the accommodation funding envelope. This funding is expected to represent approximately C\$1.55 per resident per day in additional funding to Ontario's LTC homes, including CAC.

¹ Pre one-off cost and share of income from associates

Changshu Xinghua Port (CXP)



Hua Nan Expressway (HNE)



MIIF beneficial interest at 30 June 2009: **38%**

MIIF beneficial interest at 30 June 2009: **81%**

INTERIM RESULTS

(RMB'million)	Six months to June 2009	Six months to June 2008	Variance Fav/(Adv)
Revenue	102.1	102.1	-
Operating expenses	(45.7)	(45.1)	(1.3%)
EBITDA	56.4	57.0	(1.1%)
EBITDA margin	55.2%	55.8%	(0.6%)

INTERIM RESULTS

(RMB'million)	Six months to June 2009	Six months to June 2008	Variance Fav/(Adv)
Revenue	212.0	226.4	(6.4%)
Operating expenses	(41.4)	(43.6)	5.0%
EBITDA	170.6	182.8	(6.7%)
EBITDA margin	80.5%	80.7%	(0.2%)

OPERATIONS

- On a half yearly basis, the economic slowdown impacted container volumes most severely with a 32.8% year on year reduction. Steel volumes were largely on par with pcp while non-steel and forestry product volumes were higher than pcp by 9.6% and 4.6% respectively.

OUTLOOK

- Although the outlook for the rest of 2009 remains challenging given the global slowdown in the economy, general cargo and forestry volumes are expected to remain relatively stable. Container volumes have performed below pcp mainly due to the weak performance in the first quarter (10,957 TEUs¹ in 1Q 2009 versus 21,919 in 1Q 2008) but we have seen improvements in the June quarter (21,933 TEUs in 2Q 2009 versus 10,957 TEUs in 1Q 2009) and expect this trend to continue into the second half of 2009.

OPERATIONS

- The total volume of passenger vehicles for the period increased by 3.8% year on year and reflects the general increase in car ownership in China¹.
- The global economic slowdown has severely impacted the level of industrial activity in the Guangdong Province and has led to a 14.7% drop in the number of commercial vehicles utilising the expressway as compared to the pcp.
- The Phase III section of HNE² commenced operations on 22 June 2009, contributing to an increase in toll revenue on Phases I and II of 8.8%³.

OUTLOOK

- HNE's traffic volumes in the first half of 2009 reflected a decline in commercial traffic as industrial activity in the Guangdong Province slowed. However, HNE is well placed to benefit from a recovery in the economy. This is expected to be enhanced by:
 - The continued positive impact from the opening of Phase III; and
 - The positive impact from the closure of the Northern Ring Road, an alternate route, between 18 July 2009 and 31 December 2009.
- Following a review of HNE's tolling operations, a new staffing system which requires fewer toll collectors has been implemented. These staff has been transferred to Phase III in 2Q 2009 and will result in future operating costs being reduced.
- HNE has successfully negotiated improved terms on its existing loan with China Construction Bank, resulting in an average 6.7% discount to prevailing interest rate on HNE senior debt facility.

¹ Passenger car sales increased by 47.7% in June 2009 with 872,900 cars sold. Source: China Association of Automobile Manufacturers.

² The Phase III section of Hua Nan Expressway is a complementary road to HNE and is not owned by MIIF.

³ Average toll revenue growth between the 15 days after the opening of Phase III and the 15 days prior to the opening of Phase III.

¹ Twenty foot equivalent

Macquarie European Infrastructure Fund (MEIF)



Miaoli Wind



MIIF beneficial interest at 30 June 2009: **6.3%**

MIIF beneficial interest at 30 June 2009: **100%**

KEY HIGHLIGHTS FOR THE PERIOD

The current unprecedented economic conditions continue to present challenges for all businesses. MEIF's portfolio of businesses are focused on their individual responses to the changing market conditions and, overall, continue to perform well at an operational level.

In addition, MEIF is actively managing the capital structures of its businesses to ensure that they are appropriate for the current environment. It is taking a cautious view regarding future developments in the debt market over the short to medium term.

OPERATIONS

Key highlights from MEIF's operating businesses for the six months to 30 June 2009 include:

Thames Water

- In June 2009, Thames Water announced a 3.8% increase in pre-tax profit for the year ended 31 March 2009. This favourable outcome was driven by an increase in revenue and a decrease in operating expenditure.

Autoroutes Paris-Rhin-Rhône

- Traffic for the six months to 30 June 2009 was down by 2.4% compared to pcp, reflecting the difficult economic situation. As a result, toll revenues decreased by 2.1% compared to the first half of 2008.

Brussels Airport

- Traffic for the six months to 30 June 2009 is 11.7% lower compared to pcp, however an improving trend was observed in Q2 as airlines gradually restored capacity at the start of the summer season.

INTERIM RESULTS

(NT\$'million)	Six months to June 2009	Six months to June 2008 ¹	Variance Fav/(Adv)
Revenue	127.1	157.8	(19.5%)
Operating expenses	(30.3)	(37.6)	19.4%
EBITDA	96.8	120.2	(19.5%)
EBITDA margin	76.2%	76.2%	–

OPERATIONS

- Total energy production was 12.6% lower compared to pcp due to lower average wind speeds during this period compared to pcp. This was especially evident in the month of February 2009.

OUTLOOK

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

¹ Includes the pre-acquisition results of Miaoli Wind. MIIF acquired Miaoli Wind on the 30 March 2008. The 2008 results presented above are for ease of comparison and is for illustrative purposes only.

Taiwan Broadband Communications (TBC)



Portfolio Composition



MIIF beneficial interest at 30 June 2009: **20%**

PORTFOLIO COMPOSITION BY INVESTMENT

INTERIM RESULTS

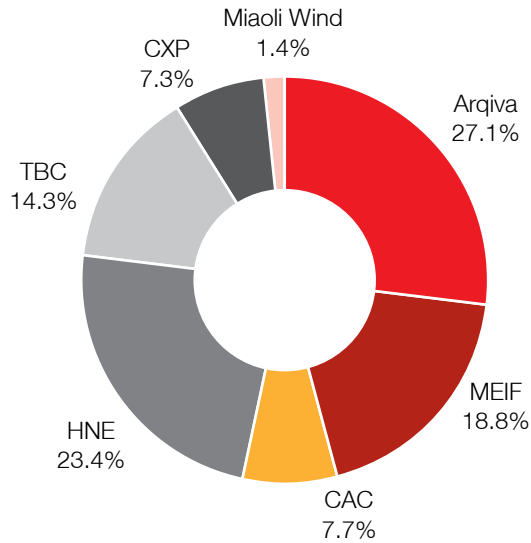
(NT\$'million)	Six months to June 2009	Six months to June 2008	Variance Fav/(Adv)
Revenue	3,290.0	3,163.8	4.0%
Operating expenses	(1,272.6)	(1,230.3)	(3.4%)
EBITDA	2,017.4	1,933.5	4.3%
EBITDA margin	61.3%	61.1%	0.2%

OPERATIONS

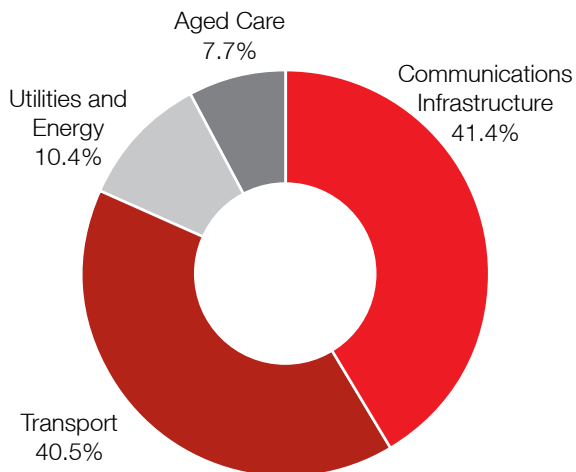
- TBC has performed well in the six months to 30 June 2009 despite the slowdown in Taiwan's economy, with basic cable subscriber numbers reaching 719,087, broadband subscribers increasing by 10.3% to 134,182, and premium digital subscribers increasing by 16.2% to 26,720.

OUTLOOK

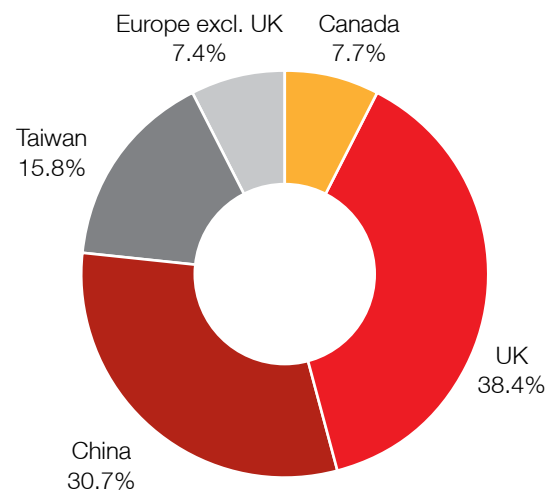
- TBC's basic cable television business is relatively resilient to changes in Taiwanese economic conditions. Additionally, subscriber take up is expected to increase, with the new digital product providing customers with better content, greater features and advanced applications. This product is anticipated to be a key contributor to TBC's next growth phase.



PORTFOLIO COMPOSITION BY INDUSTRY



PORTFOLIO COMPOSITION BY GEOGRAPHY



Corporate Information

Board of Directors

John Stuart Hugh Roberts (Chairman)
Heng Chiang Meng (Deputy Chairman)
Robert Andrew Mulderig
Michael David Hamer
Lee Suet Fern

Audit and Risk Committee

Heng Chiang Meng (Chairman)
Robert Andrew Mulderig
Michael David Hamer
Lee Suet Fern

Company Secretary

Anne Bennett-Smith

Assistant Secretary

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Disclaimer

Macquarie International Infrastructure Fund Limited (MIIF) is a Bermuda-registered mutual fund company listed on the Singapore Exchange Securities Trading Limited (SGX-ST). Macquarie Infrastructure Management (Asia) Pty Limited (MIMAL) is the manager of MIIF. MIMAL is a wholly owned subsidiary of Macquarie Group Limited.

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MIMAL, as manager of the company, is entitled to fees for so acting. Macquarie Group and its related corporations, together with their officers and directors, may hold securities in MIIF from time to time.

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Date of appointment: 21 February 2005

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Stock Information

SGX ID: M41
Bloomberg: MIIF SP
Reuters: MIIF SI
WPK Number: A 0ERP6
SEDOL1: B07NLK8 SG
ISIN: BMG5759W1047
COMMON: 22600311

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