

MACQUARIE

## **Macquarie International Infrastructure Fund Limited**

### **SGX Quarterly Report**

### **Unaudited Financial Results For the Third Quarter ended 30 September 2007**

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Macquarie Infrastructure Management (Asia) Pty Limited, as Manager of MIIF, is entitled to fees for so acting. Macquarie Group Limited and its related corporations, together with their officers and directors, may hold securities in Macquarie International Infrastructure Fund Limited from time to time.

# Unaudited Financial Results

For the quarter ended 30 September 2007

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## **Unaudited Financial Results**

For the quarter ended 30 September 2007

### **Introduction**

Macquarie International Infrastructure Fund Limited (MIIF or the Company) is the flagship Asian listed infrastructure fund of the Macquarie Group (Macquarie). MIIF leverages off Macquarie's infrastructure expertise in assessing new opportunities and acquiring infrastructure assets in diversified sectors around the world, but with an increasing focus on Asia.

MIIF, a Bermudian mutual fund company, is today a leading Asia-based private owner and operator of infrastructure assets with significant investments in airports, communications infrastructure, utility and energy assets, water and gas distribution assets, transport infrastructure assets, aged care infrastructure assets and tank storage facilities, among others.

MIIF was the first infrastructure fund to list on the main board of the Singapore Exchange Securities Trading Limited (SGX-ST). It listed on the SGX-ST on 27 May 2005 and is today a top 100 SGX company with a market capitalisation of more than S\$1.4 billion and over 7,000 investors, including retail investors and some of the world's foremost institutional investors.

## Unaudited Financial Results

For the quarter ended 30 September 2007

### Financial Review of Macquarie International Infrastructure Fund Limited for the quarter ended 30 September 2007

MIIF's infrastructure investments continued to perform well during the third quarter ended 30 September 2007. MIIF reported revenues of \$26.7 million and a net income on an adjusted basis of \$17.4 million for the current quarter ended 30 September 2007. Although distribution and investment income has increased by 24% to \$30.8 million during the quarter when compared against the prior corresponding period (pcp), net income on an adjusted basis decreased by 17% from the pcp to \$17.4 million. This decrease is mainly attributable to foreign exchange losses and higher level of expenses incurred during the current quarter.

When comparing expenses on a pcp basis, expenses have increased by 103% from \$4.5 million for the quarter ended 30 September 2006 to \$9.2 million for the quarter ended 30 September 2007. On a year to date basis, the increase in expenses between 30 September 2006 and 30 September 2007 is 131%. Increased costs versus the pcp is primarily due to increase in management fees charged to MIIF as a result of the increase in net investment value of MIIF, higher finance costs resulting from increased levels of borrowings and increase in other operating expenses resulting from increase in bank charges due to increased funding facilities and commitments. Other operating expenses on a year to date basis for 30 September 2006 included an amount of \$1.7 million for the write back of accruals which has not recurred during the current period.

The performance of MIIF for the year to date ended 30 September 2007 has led to growing and resilient cash flows. For the quarter ended 30 September 2007, MIIF has net operating cash inflows of \$151.0 million. MIIF will continue to focus on growing its operating cash flows and optimising the capital structure of its diversified investments to maximise returns to shareholders.

MIIF's portfolio increased in value in the nine months ended 30 September 2007. Net asset value (NAV) amounted to \$1,638.2 million or S\$1.28 per share as at 30 September 2007 which is up from S\$1,399.2 million or \$1.09 per share as at 31 Dec 2006. This increase is mainly attributable to the capital revaluations of investments for the last three quarters, offset by the increase in borrowings for the same time period from a balance of \$89.5 million as at 31 December 2006 to \$210.3 million as at 30 September 2007.

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

## Unaudited Financial Results

For the quarter ended 30 September 2007

### Financial Highlights

The financial highlights below summarise the key movements in the financial information presented in the Income Statement set out on page 7 of MIIF's third quarter financial report. The income statement set out on page 7 has not been prepared in accordance with applicable accounting standards.

Third Quarter				Key Results (in S\$'000)	Key Variances
*	FY2007	FY2006	Change (%)		
↓	-	498	N/A	<b>Revenue</b> Distribution income	Distribution in the pcip was received from MIC which has since been sold.
↑	30,791	24,283	26.8	Investment income	Reflects distribution from TanQuid and TBC relating to the first half of 2007 which was not received in 2006 due to timing differences in the declaration of the distributions. These higher distributions were offset by a distribution from NMRE in 2006 which has since been sold.
↑	2,207	-	N/A	Other income	Recovery of an indemnity claim by a subsidiary of NMRE.
↑	(7,063)	360	N/A	Net foreign exchange (loss)/gain	Net loss arising from translation of foreign currency denominated non-investment balances to Singapore dollars.
↑	26,689	25,550	4.5	<b>Total investment revenue</b>	
↑	4,586	3,020	51.9	<b>Expenses</b> Management fees	Due to the higher market capitalisation used to determine the Net Investment Value on which management fees are based.
↑	2,721	629	332.6	Finance costs	Due to higher utilisation of debt facilities.
↑	1,879	835	125.0	Other operating expenses	Mainly due to higher bank charges arising from higher level of funding facilities and commitments.
↑	9,243	4,544	103.4	<b>Total operating expenses</b>	
↓	17,446	21,006	(16.9)	<b>Net income on an adjusted basis</b>	
↑	90,009	66,706	34.9	Net gain on the movement in the fair value of MIIF's financial assets	Mainly reflecting an increase in the fair values of Arqiva, CAC, TanQuid and MEIF.
↑	104,125	-	N/A	Special distribution received	Reflects a return of capital from TBC which resulted from the refinancing of existing debt facilities of TBC shortly after its acquisition by MIIF.
↑	211,580	87,712	141.2	<b>Net income on an unconsolidated basis</b>	
↑	(146,824)	(16,117)	811.0	Consolidation adjustments to net income	Primarily reflects adjustment for return of capital from TBC of \$104.1 million.
↓	64,756	71,595	(9.6)	<b>Net income on a consolidated basis</b>	

\* ↑ and ↓ represent an increase and decrease respectively, compared to the prior corresponding period.

## Unaudited Financial Results

For the quarter ended 30 September 2007

### Net Asset Value

	Group as at 30 Sep 07	Group as at 31 Dec 06	Company as at 30 Sep 07	Company as at 31 Dec 06
<b>Net Asset Value</b>				
Total net asset value (\$'000)	1,541,371	1,374,330	1,638,209	1,399,182
Total number of ordinary shares on issue used in calculation of net asset value per share ('000)	1,282,452	1,279,687	1,282,452	1,279,687
Net asset value per ordinary share (\$ per share)	\$1.20	\$1.07	\$1.28	\$1.09

The following table reconciles the unconsolidated net asset value as at the beginning of the quarter to the unconsolidated net asset value as at the end of the quarter.

	Quarter ended 30 Sep 07		Quarter ended 31 Dec 06	
	Company	Net Asset Value per ordinary share	Company	Net Asset Value per ordinary share
	\$'000	\$ per share	\$'000	\$ per share
Net asset value/NAV per share at beginning of the quarter	1,611,598	1.26	1,308,913	1.02
Increase in investments due to capital revaluations (listed investments)	2,022	-	45,066	0.04
Increase in investments due to capital revaluations (unlisted investments)	71,771	0.06	49,078	0.04
Increase in investments due to FX revaluations (listed investments)	4,803	-	6,121	-
Increase in investments due to FX revaluations (unlisted investments)	10,726	0.01	(6,578)	(0.01)
Dividends declared/paid	(53,107)	(0.04)	-	-
Base management fees incurred	(4,586)	-	(3,144)	-
Issue of ordinary shares	3,146	-	-	-
Capital raising costs incurred	(92)	-	-	-
Movement in the fair value of FX forward contracts (income hedges)	687	-	915	-
Impact of foreign exchange movements on other balances	(7,063)	(0.01)	-	-
Other items (individually are not material)	(1,696)	-	(1,189)	-
Net Assets/NAV per share as at period end	1,638,209	1.28	1,399,182	1.09

## Unaudited Financial Results

For the quarter ended 30 September 2007

### Earnings Per Share

	Group Quarter ended 30 Sep 07 \$'000	Group Year to date 30 Sep 07 \$'000	Group Quarter ended 30 Sep 06 \$'000	Group Year to date 30 Sep 06 \$'000
<b>Basic Earnings per Share</b>				
Earnings used in calculation of basic earnings per share (\$'000)	64,756	260,306	71,595	116,085
Weighted average number of shares on issue used in calculation of basic earnings per share ('000)	1,282,452	1,282,452	1,279,687	1,279,687
Basic earnings per share (cents per share)	5.05	20.30	5.59	9.07
<b>Diluted Earnings per Share</b>				
Diluted earnings used in calculation of diluted earnings per share (\$'000)	64,756	260,306	71,595	116,085
Weighted average number of shares on issue used in calculation of diluted earnings per share ('000)	1,282,452	1,282,452	1,279,687	1,279,687
Diluted earnings per share (cents per share)	5.05	20.30	5.59	9.07

## Unaudited Financial Results

For the quarter ended 30 September 2007

### Dividends

No dividend has been declared for the quarter ended 30 September 2007.

#### Historical Dividend Information

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

#### Dividend Policy

MIIF's dividend policy is based on the expected predictable and stable cash flows from its investments. MIIF intends to pay out as dividends to shareholders the majority of free operating cash available for distribution and to not retain significant cash balances in excess of prudent reserves. Prudent reserves are required to ensure that MIIF remains solvent and that, amongst other things, operational costs such as audit fees, registry fees and hedging costs are adequately provided for. MIIF declares and pays regular semi-annual cash dividends on all outstanding shares.

As a Bermudian incorporated company, MIIF is governed by the Bermuda Companies Act 1981. The Bermuda Companies Act 1981 allows companies that are governed by it to declare and pay dividends to shareholders in excess of accounting profits and reserves.

Consequently, it is possible that the dividends that MIIF's Board of Directors intend to declare and pay for the period exceeds the total of MIIF's retained earnings and accounting profits generated for the period. Such situations may arise as a result of unrealised losses that MIIF is required to recognise due to movements in its share price, foreign exchange rates, changes in the value of MIIF's unlisted securities and other asset specific and general economic factors. These unrealised losses do not impact MIIF's cash flow and its ability to pay dividends.

#### Taxation

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

Singapore does not currently impose withholding tax on dividends paid to non-Singapore tax resident shareholders.

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

## Unaudited Financial Results

For the quarter ended 30 September 2007

# Review of the Performance of Macquarie International Infrastructure Fund Limited

## Income Statement Analysis

The following table compares the unaudited actual results for the quarter ended 30 September 2007 to the quarter ended 30 September 2006. This income statement, and specifically the line entitled "Net income on an adjusted basis", has been prepared so as to present the earnings of MIIF out of which MIIF dividends will be paid, excluding any return on capital from assets. This income statement has not been prepared in accordance with applicable accounting standards.

	Quarter ended 30 Sep 07 \$'000	Year to date 30 Sep 07 \$'000	Quarter ended 30 Sep 06 \$'000	Year to date 30 Sep 06 \$'000
<b>Revenue</b>				
Distribution income	-	15,026	498	13,630
Investment income	30,791	85,995	24,283	61,729
Interest income	754	1,530	409	1,124
Other income	2,207	2,207	-	-
Net foreign exchange (loss)/gain	(7,063)	(7,630)	360	1,473
<b>Total investment revenue</b>	<b>26,689</b>	<b>97,128</b>	<b>25,550</b>	<b>77,956</b>
<b>Expenses</b>				
Management fees	4,586	12,144	3,020	8,618
Performance fees	-	3,146	-	-
Directors' fees	57	171	60	180
Finance costs	2,721	6,380	629	857
Other operating expenses	1,879	5,032	835	1,991
<b>Total operating expenses</b>	<b>9,243</b>	<b>26,873</b>	<b>4,544</b>	<b>11,646</b>
<b>Net income on an adjusted basis <sup>(1)</sup></b>	<b>17,446</b>	<b>70,255</b>	<b>21,006</b>	<b>66,310</b>
<b>Amounts not included in the above analysis</b>				
Net gain on the movement in the fair value of MIIF's financial assets <sup>(2)</sup>	90,009	371,033	66,706	71,999
Special distribution received <sup>(3)</sup>	104,125	104,125	-	-
<b>Net income on an unconsolidated basis</b>	<b>211,580</b>	<b>545,413</b>	<b>87,712</b>	<b>138,309</b>
Consolidation adjustments to net income	(146,824)	(285,107)	(16,117)	(22,224)
<b>Net income on a consolidated basis</b>	<b>64,756</b>	<b>260,306</b>	<b>71,595</b>	<b>116,085</b>

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

(2) The net gain on financial assets at fair value as shown in the Income Statement on this page differs from the net gain on financial assets at fair value as shown on page 17 of this report due to the required treatment of distributions as set out in MIIF's accounting policies.

(3) This is a return of capital from TBC of US\$68.3 million (\$104.1 million) which resulted from the refinancing of the existing debt facilities of TBC shortly after its acquisition by MIIF.

Unless otherwise stated, all amounts are in Singapore Dollars.

Net income on an adjusted basis is \$17.4 million for the 30 September 2007 quarter end, which is 17% lower when compared to the corresponding quarter in 2006. This despite distribution and investment income increasing by 24% to \$30.8 million for the quarter ended 30 September 2007 when compared to the pcp. This decrease is mainly attributable to net foreign exchange loss and higher level of expenses during the current quarter in comparison to the pcp.

## Unaudited Financial Results

For the quarter ended 30 September 2007

### Reconciliation of net income on an adjusted basis to the consolidated income statement

The income statement on page 7 has not been prepared in accordance with applicable accounting standards whilst the consolidated income statement on page 17 has been prepared in accordance with all applicable accounting standards. The table below reconciles the 30 September 2007 year to date income statement disclosed on page 7 of this report to the 30 September 2007 year to date consolidated income statement disclosed on page 17.

	Net Income <sup>(1)</sup> on an adjusted as is Year to date 30 Sep 07 \$'000	GAAP Adjustments <sup>(2)</sup> Year to date 30 Sep 07 \$'000	TanQuid <sup>(3)</sup> Year to date 30 Sep 07 \$'000	Consolidation Adjustments <sup>(4)</sup> Year to date 30 Sep 07 \$'000	MIIF Group <sup>(5)</sup> Year to date 30 Sep 07 \$'000
<b>Income</b>					
Distribution income	15,026	(15,026)	-	-	-
Investment income	85,995	(85,995)	-	-	-
Storage revenue	-	-	93,694	-	93,694
Interest income	1,530	-	908	111	2,549
Other income	2,207	-	-	-	2,207
Net foreign exchange gain/(loss)	(7,630)	-	-	(458)	(8,088)
Net gain/(loss) on financial assets at fair value through profit or loss	-	371,033	4,382	(79,571) <sup>(6)</sup>	295,844
<b>Total income</b>	<b>97,128</b>	<b>270,012</b>	<b>98,984</b>	<b>(79,918)</b>	<b>386,206</b>
<b>Expenses</b>					
Management fees	(12,144)	-	-	-	(12,144)
Performance fees	(3,146)	-	-	-	(3,146)
Directors' fees	(171)	-	-	-	(171)
Finance costs	(6,380)	-	(12,763)	-	(19,143)
Other operating expenses	(5,032)	-	(77,709)	(3,545)	(86,286)
<b>Total expenses</b>	<b>(26,873)</b>	<b>-</b>	<b>(90,472)</b>	<b>(3,545)</b>	<b>(120,890)</b>
<b>Profit before income tax</b>	<b>70,255</b>	<b>270,012</b>	<b>8,512</b>	<b>(83,463)</b>	<b>265,316</b>
Income tax expense	-	-	(5,010)	-	(5,010)
<b>Profit after income tax</b>	<b>70,255</b>	<b>270,012</b>	<b>3,502</b>	<b>(83,463)</b>	<b>260,306</b>

(1) This is net income on an adjusted basis as presented on page 7 of this report.

(2) These are the adjustments that must be made to net income on an adjusted basis to arrive at net income on an unconsolidated basis prepared in accordance with all applicable accounting standards.

(3) This is the net income of TanQuid that must be consolidated with MIIF in accordance with all applicable accounting standards.

(4) This is a consolidation adjustment only, and reverses a portion of the net revaluation gains recognised in the unconsolidated income statement of MIIF that cannot be recognised in the consolidated income statement of MIIF, as required by all applicable accounting standards.

(5) This is the consolidated profit after tax of the MIIF Group as disclosed on page 17 of this report.

(6) This includes a return of capital from TBC of US\$68.3 million (\$104.1 million) which resulted from the refinancing of the existing debt facilities of TBC shortly after its acquisition by MIIF.

## Unaudited Financial Results

For the quarter ended 30 September 2007

### Distribution and investment income

Distribution income represents the equity distributions that MIIF has received from its listed investments, being MAp, MCG, DUET and MIC. MAp, MCG and DUET are listed on the Australian Stock Exchange. MIC is listed on the New York Stock Exchange. During the current quarter, MIIF has divested its investments in MIC, DUET and MCG.

Investment income represents distributions declared by MIIF's unlisted investments, including MEIF, Arqiva, Brussels Airport, Canadian Aged Care, CXP, TanQuid, and TBC.

Distribution and investment income for the 30 September 2007 quarter end was in aggregate \$30.8 million, compared to \$24.8 million for the 30 September 2006 quarter end.

No distribution income has been received for the quarter. For MAp, this is consistent with the pcp. With the other listed investments, no distribution income has been recorded as these investments were disposed of during the current quarter.

Investment income has increased by \$6.5 million, which is 27% higher than the quarter ended 30 September 2006. This increase is mainly due to:

- Investment income from Brussels Airport, which has increased to \$22.0 million for the 9 months ended 30 September 2007, as a result of the refinancing of its debt facilities; and

- Investment income from TanQuid. Current quarter's investment income relates to dividends received in respect of the half year 2007. The variance compared to the quarter ended 30 September 2006 is predominantly due to timing differences in the declaration of the dividend by the asset. The year to date increase of \$10.8 million between the year to date 30 September 2007 figure and the year to date 30 September 2006 figures is mainly due to the special one off distribution of \$7.7 million arising from the acquisition of the Petroplus assets in 2006.

The distribution from TBC is not included as it is a result of the refinancing of existing debt facilities of TBC, which was completed shortly after its acquisition by MIIF.

The following table provides a detailed breakdown of the distribution and investment income recognised by MIIF during the current periods being reported on.

<b>Investment</b>	<b>Quarter ended 30 Sep 07 \$'000</b>	<b>Year to date 30 Sep 07 \$'000</b>	<b>Quarter ended 30 Sep 06 \$'000</b>	<b>Year to date 30 Sep 06 \$'000</b>
<b>Distribution income</b>				
MAp	-	5,989	-	5,416
MCG	-	5,123	-	4,302
DUET	-	2,856	-	2,428
MIC	-	1,058	498	1,484
<b>Total distribution income</b>	<b>-</b>	<b>15,026</b>	<b>498</b>	<b>13,630</b>
<b>Investment income</b>				
Canadian Aged Care	4,611	13,463	4,487	13,455
Brussels Airport	8,615	21,951	6,150	14,470
Arqiva	5,118	16,237	6,802	11,993
TanQuid	11,539	19,240	-	8,445
TBC	908	908	-	-
NMRE	-	-	6,844	8,151
MEIF	-	8,516	-	3,121
CXP	-	5,680	-	2,094
<b>Total investment income</b>	<b>30,791</b>	<b>85,995</b>	<b>24,283</b>	<b>61,729</b>
<b>Total distribution and investment income</b>	<b>30,791</b>	<b>101,021</b>	<b>24,781</b>	<b>75,359</b>

## Unaudited Financial Results

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### Distribution and investment income (cont'd)

Subject to regulatory requirements, the distribution policy of each of MIIF's investments is to distribute all net cash flow generated from operations, reduced for debt servicing costs and minor maintenance capital expenditure, subject to prudent reserves. We expect the operational performance of each of MIIF's investments to continue to benefit from increased patronage, pricing, asset base growth and cost savings, which in turn will generate greater net cash flow from operations, and ultimately increased cash flow to investors, including MIIF. This is reflective of the generally sustainable cash flows that such infrastructure assets generate.

In the consolidated income statement on page 17, distribution and investment income are shown as part of "Net gain on financial assets at fair value through profit or loss" in accordance with our accounting policies and International Financial Reporting Standards.

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

<b>Investment Portfolio</b>	<b>Frequency per annum</b>	<b>Distribution period</b>
<b>Direct Investments</b>		
Arqiva	3	June, July, December
Brussels Airport	2	February, August
Canadian Aged Care (CAC)	12	Monthly
Changshu Xinghua Port (CXP)	1	June
TanQuid	2	June, December
Taiwan Broadband Communication (TBC)	2	June, December
<b>Unlisted and Listed Investments</b>		
Macquarie European Infrastructure Fund (MEIF)	2	March, September
Macquarie Airports (MAp)	2	June, December

### Other income (presented in the income statement disclosed on page 7)

- Interest income

The interest income earned by MIIF of \$0.8 million in the quarter under review was generated from the interest earned on the various bank accounts held on deposit by MIIF. These accounts typically generate a return to MIIF of between 2% and 6% per annum.

- Other income

Other income of \$2.2 million represents proceeds of an indemnity claim recovered by a subsidiary of Novera Macquarie Renewable Energy (NMRE).

- Net foreign exchange gain/(loss)

In the quarter under review, MIIF recognised a net loss in foreign exchange of \$7.1 million. This loss relates to several non-investment balances such as cash on hand, expenses payable and revenue receivable held by MIIF which are denominated in a basket of currencies other than Singapore dollars. Foreign currencies are translated into Singapore currency at the rate of exchange at balance date and resulting exchange differences are recognised in determining the profit or loss for the period. For details of the currency exposure of MIIF, please refer to page 20.

- Net gain on the movement in the fair value of MIIF's financial assets

The net gain on the movement in the fair value of MIIF's financial assets of \$90.0 million for the current period represents the change in the fair value of these assets during the current period. These gains do not represent cash inflows, and are recognised in the Income Statement because it is required under MIIF's accounting policies and applicable International Financial Reporting Standards.

## Unaudited Financial Results

For the quarter ended 30 September 2007

### **Expenses (presented in the income statement disclosed on page 7)**

When comparing expenses on a pcp basis, expenses have increased by 103% from \$4.5 million for the quarter ended 30 September 2006 to \$9.2 million for the quarter ended 30 September 2007. On a year to date basis, the increase in expenses from 30 September 2007 to 30 September 2006 is 131%. Increased costs versus the pcp is primarily due to higher finance costs resulting from higher levels of borrowings, increase in management fees charged to MIIF and increase in other operating expenses.

	Quarter ended 30 Sep 07 \$'000	Year to date 30 Sep 07 \$'000	Quarter ended 30 Sep 06 \$'000	Year to date 30 Sep 06 \$'000
<b>Expenses</b>				
Management fees	4,586	12,144	3,020	8,618
Performance fees	-	3,146	-	-
Directors' fees	57	171	60	180
Finance costs	2,721	6,380	629	857
Other operating expenses	1,879	5,032	835	1,991
<b>Total operating expenses</b>	<b>9,243</b>	<b>26,873</b>	<b>4,544</b>	<b>11,646</b>

### **Other expense items (presented in the income statement disclosed on page 7)**

- Directors' fees

The MIIF Board of Directors comprise of four members, three of whom are independent of the Macquarie Group. Each independent director is entitled to receive an annual director's fee of US\$50,000. The MIIF Board member who is an executive of the Macquarie Group, is not entitled to be paid a directors fee from MIIF.

- Other operating expenses

Other operating expenses comprise of items that were incurred by MIIF as part of its day to day operations. These items include fees paid to the share registrar, SGX-ST listing and administration fees, general legal fees, audit fees, funding facilities and commitment fees and other consulting based fees.

Other operating expenses for the period ended 30 September 2007 increased when compared to the pcp. Increased costs were mainly due to increase in bank charges resulting from higher levels of funding facilities and commitments. The year to date other operating expenses for the period ended 30 September 2006 included write back of accruals amounting to \$1.7 million which has not recurred during the current period.

## Balance Sheet Analysis

### **Net assets**

MIIF's stand alone net assets increased from \$1,399.2 million as at 31 December 2006 to \$1,638.2 million as at 30 September 2007. This was due to the increase in non-current assets held at fair value, which was partly offset by dividends paid for the period. This represents a Net Asset Value ("NAV") of \$1.28 per share as at 30 September 2007 compared to \$1.09 per share as at 31 December 2006.

Group net assets increased, from \$1,374.3 million as at 31 December 2006 to \$1,541.4 million as at 30 September 2007. This was primarily due to the net asset movement within the stand alone company as noted above.

### **Trade and other receivables**

Stand alone trade and other receivables have decreased from \$22.5 million as at 31 December 2006 to \$3.2 million as at 30 September 2007. The decrease is mainly attributable to dividends receivable which was \$22.4 million as at 31 December 2006 versus no dividends receivable as at 30 September 2007. The trade and other receivable balance as at 30 September 2007 relates to receivables arising from payments made on behalf of MIIF's special purpose vehicles, amounting to \$1.9 million which were costs substantially incurred in the set up of Tanquid Zweite of EUR 0.6 million (\$1.3 million).

Group trade and other receivables decreased from \$43.9 million as at 31 December 2006 to \$30.8 million as at 30 September 2007. Trade and other receivables decreased mainly due to the decrease in the net asset movement within the stand alone Company.

## Unaudited Financial Results

For the quarter ended 30 September 2007

### Current financial assets/liabilities held at their fair value

Stand alone current financial assets held at their fair value moved from an asset position of \$1.7 million as at 31 December 2006 to a liability position of \$4.5 million as at 30 September 2007. This balance reflects the fair value of the foreign currency forward contracts that MIIF has entered into to hedge the forecast distributions that it expects to receive from its investments for a period of at least 12 months looking forward. The decrease in the value of these foreign currency forward contracts reflects the general weakening of the Singapore dollar against some of the currencies to which MIIF is exposed, primarily the Australian Dollar, Canadian Dollar, Euro and Sterling Pound for the period to 30 September 2007.

The difference between the group and stand alone balance relates to the fair value of the interest rate swaps that TanQuid has entered into to hedge its exposure to floating interest rates that arises as a result of the floating rate borrowings that it is party to.

### Property, plant and equipment and intangible assets

Property, plant and equipment of \$384.3 million relate to the tank storage facilities in Germany and other property, plant and equipment owned by TanQuid. The TanQuid balance sheet also contains intangible assets consisting of software packages. The decrease in property, plant and equipment is due to the application of the depreciation charge for the quarter.

### Non-current financial assets held at their fair value

Stand alone non-current financial assets held at their fair value increased from \$1,334.8 million as at 31 December 2006 to \$1,804.8 million as at 30 September 2007. This balance reflects the fair value of all MIIF investments as at 30 September 2007. The increase was due to a number of factors including:

- Overall increase in the value of MIIF's investments;
- Additional investment by MIIF into Arqiva in response to Arqiva's acquisition of National Grid Wireless;
- Additional investment in MEIF; and
- Investment in TBC.

This increase was offset by the divestment of MIIF's interests in MIC, MCG and DUET.

The following table sets out a reconciliation of the value of MIIF's investments from 31 December 2006 to 30 September 2007:

	Company Balance at 31 Dec 06 \$'000	Additional investment / (divestment) \$'000	Distribution received from investments \$'000	Foreign exchange effects \$'000	Revaluation to 30 Sep 07 \$'000	Company Balance at 30 Sep 07 \$'000
<b>Listed securities</b>						
MAp	154,539	-	(5,989)	15,777	39,256	<b>203,583</b>
MCG	143,213	(147,241)	(5,123)	11,884	(2,733)	-
DUET	61,956	(85,151)	(2,856)	6,031	20,020	-
MIC	32,605	(37,402)	(1,058)	(229)	6,084	-
	<b>392,313</b>	<b>(269,794)</b>	<b>(15,026)</b>	<b>33,463</b>	<b>62,627</b>	<b>203,583</b>
<b>Unlisted securities</b>						
Arqiva	228,635	259,067	(16,237)	7,892	69,374	<b>548,731</b>
MEIF	219,071	42,600	(8,516)	13,199	66,173	<b>332,527</b>
Canadian Aged Care	147,989	-	(13,463)	19,177	(900)	<b>152,803</b>
TanQuid	122,929	-	(19,240)	7,017	72,576	<b>183,282</b>
CXP	120,598	-	(5,680)	-	2,947	<b>117,865</b>
TBC	-	265,960	(105,033)	(2,252)	894	<b>159,569</b>
Brussels Airport	103,247	-	(21,951)	4,692	20,342	<b>106,330</b>
Others	60	41	-	3	-	<b>104</b>
	<b>942,529</b>	<b>567,668</b>	<b>(190,120)</b>	<b>49,728</b>	<b>231,406</b>	<b>1,601,211</b>
<b>Total investments</b>	<b>1,334,842</b>	<b>297,874</b>	<b>(205,146)</b>	<b>83,191</b>	<b>294,033</b>	<b>1,804,794</b>

## Unaudited Financial Results

For the quarter ended 30 September 2007

### Non-current financial assets held at their fair value (cont'd)

MIIF fair values all of its investments in its stand alone accounts. The value of MIIF's listed investments is based on the bid price of each security on the last trading day of the quarter. The value of the unlisted investments is based on a detailed discounted cash flow financial model that is developed to calculate the value that each asset could potentially be sold to a willing buyer under normal conditions.

Group non-current financial assets held at their fair value have increased from \$1,218.3 million as at 31 December 2006 to \$1,621.6 million as at 30 September 2007. This balance reflects the fair value of all of MIIF's investments, except the fair value of MIIF's investment into TanQuid, which is replaced with the assets and liabilities of the TanQuid business in the Group balance sheet.

### Goodwill

Goodwill of \$33.0 million relates to the acquisition of TanQuid and Petroplus and represents the excess of the amount paid over the fair value of the net identifiable assets as at the date of acquisition.

### Trade and other payables

Stand alone trade and other payables increased from \$3.5 million as at 31 December 2006 to \$9.5 million at 30 September 2007. This amount comprises of \$4.6 million of management fees payable to MIIF's manager, MIMAL, \$4.6 million of payables to suppliers for expenses related to acquisition activities, and accrued expenses and directors' fees totalling \$0.3 million.

Group trade and other payables mainly relate to trade and other creditors payable by TanQuid. The TanQuid liabilities account for \$37.7 million of the reported balance at 30 September 2007, and represent liabilities for lease rentals and other minor trade creditors.

### Borrowings

Stand alone company borrowings increased from \$89.5 million as at 31 December 2006 to \$210.3 million as at 30 September 2007. This increase was due to the drawdowns from MIIF's borrowing facilities to subscribe to Arqiva's rights issue to fund Arqiva's acquisition of National Grid Wireless, additional investments in MEIF and the investment into TBC. This increase has been offset by repayments from funds from the divestments of MIC, MCG and DUET, and from excess cash from operations.

In the quarter under review, Group borrowings increased from \$379.6 million as at 31 December 2006 to \$522.5 million as at 30 September 2007. The movement was mainly due to the increase in borrowings within the stand alone company. The remainder of the borrowings of \$312.2 million relate to the borrowings of TanQuid.

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

	Group as at 30 Sep 07 \$'000	Group as at 31 Dec 06 \$'000
Amount repayable in one year or less, or on demand	1,936	6,460
Amount repayable after one year	520,524	373,104
<b>Total borrowings</b>	<b>522,460</b>	<b>379,564</b>
Amount secured	312,157	290,022
Amount unsecured	210,303	89,542
<b>Total borrowings</b>	<b>522,460</b>	<b>379,564</b>

The borrowings disclosed above include borrowings of TanQuid which comprise of bank loans as well as finance lease liabilities. These bank loans are secured through a combination of: 1) pledge agreements, 2) agreements to transfer title in the tangible assets of the business to the lender in the event of default, 3) granting of a charge over the real property of the business to the lender and 4) assignment of the hedging arrangements from TanQuid back to the lender. These arrangements exist only with respect to the borrowings of TanQuid. These borrowings are secured over the assets within the TanQuid business and are non-recourse to MIIF.

## Unaudited Financial Results

For the quarter ended 30 September 2007

### **Borrowings (cont'd)**

MIIF's borrowings which amount to \$210.3 million as at 30 September 2007 are generally repayable after one year and are drawn from committed debt facilities with terms ranging from one to three years. The total undrawn facilities as at 30 September 2007 were \$482.9 million.

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

### **Provisions**

Provision for taxation amounts to \$5.1 million and arises only on consolidation and relates to TanQuid only.

Provisions for other liabilities and charges of \$15.4 million arise only on consolidation of TanQuid, and relate to storage site rehabilitation obligations and employee benefits of TanQuid.

### **Deferred income tax liabilities**

Deferred tax liabilities of \$21.0 million arise on consolidation and relate to TanQuid only.

## Cash Flows Analysis

MIIF had a net operating cash inflow of \$151.0 million during the period from 1 July 2007 to 30 September 2007. The cash proceeds generated from MIIF's operations, together with the beginning cash balance, will be used to pay dividends declared by MIIF.

## Additional Information

### **Accounting Policies Application**

Accounting policies and methods of computation applied in the preparation of these figures that are not stated in this report are the same as those used in the most recently audited financial statements.

### **Effects of seasonality**

There were no impacts on MIIF's revenue arising from seasonality.

### **Interested Person Transactions**

#### **(a) Directors**

The following persons were directors of MIIF during the periods being reported on:

	<b>Date of Appointment</b>	<b>Date of Resignation</b>
John Stuart Hugh Roberts	7 February 2005	Not applicable
Heng Chiang Meng	7 February 2005	Not applicable
Robert Andrew Mulderig	7 February 2005	Not applicable
Michael David Hamer	7 February 2005	Not applicable
Gregory Kenneth Osborne (alternate director to John Stuart Hugh Roberts)	7 February 2005	5 October 2007

#### **Directors' remuneration**

John Roberts and Gregory Osborne are executive directors of Macquarie Group Limited ("MGL"), the ultimate parent entity of the Manager, and are not entitled to any remuneration from MIIF, other than reimbursement of expenses incurred on behalf of MIIF, such as travel costs and accommodation. Heng Chiang Meng, Robert Mulderig and Michael Hamer are entitled to a total remuneration of US\$50,000 per annum each.

## Unaudited Financial Results

For the quarter ended 30 September 2007

### (b) The Manager

Macquarie Infrastructure Management (Asia) Pty Limited (the "Manager") was appointed by MIIF as the sole and exclusive manager pursuant to a management agreement dated 19 May 2005.

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

	Group Quarter ended 30 Sep 07 \$'000	Group Quarter ended 30 Sep 06 \$'000	Company Quarter ended 30 Sep 07 \$'000	Company Quarter ended 30 Sep 06 \$'000
<b>Transactions</b>				
Base management fees	4,586	3,020	4,586	3,020
Dividends paid or payable	4,316	3,856	4,316	3,856

The following balances remained outstanding between the Group, MIIF and the Manager at the current reporting date:

	Group as at 30 Sep 07 \$'000	Group as at 31 Dec 06 \$'000	Company as at 30 Sep 07 \$'000	Company as at 31 Dec 06 \$'000
<b>Balances</b>				
Accrued base management fees	4,586	3,178	4,586	3,178
<b>Total liabilities payable to the Manager</b>	<b>4,586</b>	<b>3,178</b>	<b>4,586</b>	<b>3,178</b>

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

For the quarter ended 30 September 2007, the MIIF Accumulation Index<sup>1</sup> was lower than the agreed benchmark annual return of 8% (2% for the period). This resulted in a performance fee deficit<sup>2</sup> carried forward to the next quarter.

MIIF retained the services of qualified independent advisors, who have confirmed that the performance fee has been determined in accordance with the management agreement between the Manager and MIIF dated 19 May 2005, as disclosed in the MIIF Prospectus.

<sup>1</sup> The performance of the MIIF Accumulation Index is measured as the average index value over the last 15 SGX-ST trading days of each three month period compared to the preceding three month period.

<sup>2</sup> Where the MIIF Accumulation Index has underperformed the benchmark in prior periods, this underperformance is carried forward as a deficit and taken into account in calculating the performance fee payable. The deficit carried forward in relation to the calculation of this performance fee is approximately \$42.3 million.

## **Unaudited Financial Results**

For the quarter ended 30 September 2007

### **Interested Person Transactions (cont'd)**

#### **(c) Macquarie Group (Macquarie)**

MGL is the ultimate parent of the Manager. Macquarie and in particular Macquarie Capital Advisers (MacCap Adv) are an important source of acquisition opportunities and financial and acquisition advice.

During the period, the Group engaged MacCap Adv to advise on the acquisition of TBC. The fees payable are currently being reviewed by an independent expert to establish whether they are consistent with the level of fees that would be charged for a similar transaction on normal commercial terms and conditions. Upon completion of the exercise, the fees will be submitted to the independent directors of the MIIF Board for approval.

MIIF utilises the services provided by MGL's foreign exchange department from time to time to enter into foreign exchange forward contracts. Pricing received is benchmarked against third party pricing.

TanQuid has entered into an interest rate swap with a Macquarie entity which it entered into on normal commercial terms.

## Unaudited Financial Results

For the quarter ended 30 September 2007

### Consolidated Income Statement

	Group Quarter ended 30 Sep 07 \$'000	Group Year to date 30 Sep 07 \$'000	Group Quarter ended 30 Sep 06 \$'000	Group Year to date 30 Sep 06 \$'000
<b>Income</b>				
Storage revenue	33,517	93,694	27,069	67,180
Interest revenue	1,114	2,549	474	1,248
Other income	2,207	2,207	-	-
Net foreign exchange (loss)/gain	(7,360)	(8,088)	368	1,482
Net gain on financial assets at fair value through profit or loss	77,124	295,844	74,079	121,402
<b>Total income</b>	<b>106,602</b>	<b>386,206</b>	<b>101,990</b>	<b>191,312</b>
<b>Expenses</b>				
Base management fee	4,586	12,144	3,020	8,618
Performance Fee	-	3,146	-	-
Finance costs	7,301	19,143	3,814	8,249
Employee benefits expense	9,512	26,703	7,484	19,272
Depreciation	6,791	18,985	5,266	12,520
Professional services	234	1,586	585	1,395
Consumables	6,361	17,966	2,133	5,798
Rental expense	2,229	5,849	1,508	4,049
Directors' fees	57	171	64	184
Other operating expenses	4,606	15,197	6,521	15,142
<b>Total operating expenses</b>	<b>41,677</b>	<b>120,890</b>	<b>30,395</b>	<b>75,227</b>
<b>Profit before income tax</b>	<b>64,925</b>	<b>265,316</b>	<b>71,595</b>	<b>116,085</b>
Income tax expense	(169)	(5,010)	-	-
<b>Profit after income tax</b>	<b>64,756</b>	<b>260,306</b>	<b>71,595</b>	<b>116,085</b>
<b>Profit attributable to the equity holders of MIIF</b>	<b>64,756</b>	<b>260,306</b>	<b>71,595</b>	<b>116,085</b>
Basic earnings per share (cents per share)	<b>5.05</b>	<b>20.30</b>	<b>5.59</b>	<b>9.07</b>
Diluted earnings per share (cents per share)	<b>5.05</b>	<b>20.30</b>	<b>5.59</b>	<b>9.07</b>

# Unaudited Financial Report

For the quarter ended 30 September 2007

## Balance Sheet

	Group as at 30 Sep 07 \$'000	Group as at 31 Dec 06 \$'000	Company as at 30 Sep 07 \$'000	Company as at 31 Dec 06 \$'000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	72,747	59,146	54,468	43,356
Non-current assets held for sale	-	89,760	-	89,760
Trade and other receivables	30,761	43,803	3,180	22,544
Financial assets at fair value through profit or loss	3,234	4,615	-	1,697
Inventory	1,036	1,068	-	-
Other assets	727	172	53	41
	<b>108,505</b>	<b>198,564</b>	<b>57,701</b>	<b>157,398</b>
<b>Non-current assets</b>				
Trade and other receivables	59	63	-	-
Property, plant and equipment	384,322	380,015	-	-
Intangible assets	5,021	5,330	-	-
Financial assets at fair value through profit or loss	1,621,636	1,218,251	1,804,794	1,334,842
Goodwill	32,959	33,892	-	-
	<b>2,043,997</b>	<b>1,637,551</b>	<b>1,804,794</b>	<b>1,334,842</b>
<b>Total assets</b>	<b>2,152,502</b>	<b>1,836,115</b>	<b>1,862,495</b>	<b>1,492,240</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	47,171	46,355	9,492	3,516
Financial liabilities at fair value through profit or loss	-	-	4,491	-
Provision for taxation	5,098	-	-	-
Borrowings	1,936	6,460	-	-
	<b>54,205</b>	<b>52,815</b>	<b>13,983</b>	<b>3,516</b>
<b>Non-current liabilities</b>				
Provisions for other liabilities and charges	15,419	20,281	-	-
Borrowings	520,524	373,104	210,303	89,542
Deferred income tax liabilities	20,983	15,585	-	-
	<b>556,926</b>	<b>408,970</b>	<b>210,303</b>	<b>89,542</b>
<b>Total liabilities</b>	<b>611,131</b>	<b>461,785</b>	<b>224,286</b>	<b>93,058</b>
<b>Net assets</b>	<b>1,541,371</b>	<b>1,374,330</b>	<b>1,638,209</b>	<b>1,399,182</b>
<b>Equity</b>				
Share capital	1,234,627	1,231,573	1,234,627	1,231,573
Foreign currency translation reserve	7,570	(406)	-	-
Retained earnings	299,174	143,163	403,582	167,609
<b>Total equity</b>	<b>1,541,371</b>	<b>1,374,330</b>	<b>1,638,209</b>	<b>1,399,182</b>

## Unaudited Financial Report

For the quarter ended 30 September 2007

### Consolidated Statement of Changes in Shareholders' Equity

	Quarter ended 30 Sep 07 \$'000	Year to date 30 Sep 07 \$'000	Quarter ended 30 Sep 06 \$'000	Year to date 30 Sep 06 \$'000
<b>Total equity at the beginning of the period</b>	<b>1,524,582</b>	<b>1,374,330</b>	<b>1,270,188</b>	<b>1,261,261</b>
Foreign currency translation reserve recognised directly in equity	2,086	7,975	865	4,938
Profit after tax for the period	64,756	260,306	71,595	116,085
<b>Total recognised gains for the period</b>	<b>64,756</b>	<b>260,306</b>	<b>71,595</b>	<b>116,085</b>
Issue of share capital – conversion of performance fees	3,146	3,146	-	-
Capital raising costs	(92)	(92)	-	34
Dividends paid	(53,107)	(104,294)	(50,548)	(90,218)
<b>Total equity at the end of the period</b>	<b>1,541,371</b>	<b>1,541,371</b>	<b>1,292,100</b>	<b>1,292,100</b>

### Statement of Changes in Shareholders' Equity of MIIF

	Quarter ended 30 Sep 07 \$'000	Year to date 30 Sep 07 \$'000	Quarter ended 30 Sep 06 \$'000	Year to date 30 Sep 06 \$'000
<b>Total equity at the beginning of the period</b>	<b>1,611,598</b>	<b>1,399,182</b>	<b>1,271,749</b>	<b>1,260,788</b>
Profit after tax for the period	76,664	340,267	87,712	138,309
<b>Total recognised gains for the period</b>	<b>76,664</b>	<b>340,267</b>	<b>87,712</b>	<b>138,309</b>
Issue of share capital – conversion of performance fees	3,146	3,146	-	-
Capital raising costs	(92)	(92)	-	34
Dividends paid	(53,107)	(104,294)	(50,548)	(90,218)
<b>Total equity at the end of the period</b>	<b>1,638,209</b>	<b>1,638,209</b>	<b>1,308,913</b>	<b>1,308,913</b>

### Changes in Share Capital

On 31 August 2007, the Manager invested its entire performance fee earned for the quarter ended 30 June 2007 in 2,764,856 MIIF shares. These shares were not entitled to participate in the dividend paid on 14 September 2007.

## Unaudited Financial Report

For the quarter ended 30 September 2007

### Statement of Cash Flows

	Group Quarter ended 30 Sep 07 \$'000	Group Year to date 30 Sep 07 \$'000	Group Quarter ended 30 Sep 06 \$'000	Group Year to date 30 Sep 06 \$'000
<b>Cash flows from operating activities</b>				
Profit after tax	64,756	260,306	71,595	116,085
Adjustments for non cash items:				
Amortisation and depreciation	6,791	18,985	5,266	12,520
Unrealised foreign exchange gains/(losses)	6,584	7,813	(368)	(1,482)
Revaluation of financial assets at fair value through profit or loss	46,254	(109,937)	(61,660)	(65,890)
Effect of exchange rate movements on operating assets and liabilities	(3,669)	6,411	3,677	2,211
Changes in operating assets and liabilities, net of the effects from acquisitions of controlled entities and business assets:				
(Increase)/decrease in trade and other receivables	34,053	13,046	(13,120)	2,448
(Increase)/decrease in inventory	(25)	32	(32)	(22)
Increase/(decrease) in trade and other payables	(4,735)	816	26,650	16,742
Increase/(decrease) in provisions for other liabilities and charges	537	(4,862)	3,117	1,516
(Increase)/decrease in other assets	132	(553)	26	(9)
(Increase)/decrease in the provision for taxation	351	10,496	(32)	34
<b>Net cash inflow from operating activities</b>	<b>151,029</b>	<b>202,553</b>	<b>35,119</b>	<b>84,153</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of investment	269,792	359,552	-	-
Purchase of property, plant and equipment	(3,498)	(5,034)	(64,847)	(66,046)
Purchase of financial assets	(282,129)	(567,669)	(747)	(38,471)
<b>Net cash outflow from investing activities</b>	<b>(15,835)</b>	<b>(213,151)</b>	<b>(65,594)</b>	<b>(104,517)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issue of ordinary shares	3,146	3,146	-	-
Capital raising costs	(92)	(92)	-	-
Proceeds from borrowings	418,889	706,143	64,833	102,557
Repayment of borrowings	(485,720)	(578,170)	3,421	-
Dividends paid	(53,107)	(104,294)	(50,548)	(90,218)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(116,884)</b>	<b>26,733</b>	<b>17,706</b>	<b>12,339</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>18,310</b>	<b>16,135</b>	<b>(12,769)</b>	<b>(8,025)</b>
Cash and cash equivalents at beginning of period	57,321	59,146	57,712	51,942
Effects of exchange rate changes on cash and cash equivalents	(2,884)	(2,534)	200	1,226
<b>Cash and cash equivalents at end of period</b>	<b>72,747</b>	<b>72,747</b>	<b>45,143</b>	<b>45,143</b>

## Unaudited Financial Report

For the quarter ended 30 September 2007

### Currency Exposure

MIIF receives distributions and investment income denominated in currencies other than the Singapore dollar. With respect to these cash flows, MIIF is exposed to currency risk, as the value of the amounts receivable denominated in other currencies will fluctuate due to changes in exchange rates. MIIF's policy is to enter into foreign currency forward contracts to convert the foreign currency amounts to Singapore dollars.

The table below set out MIIF's exposure to various currencies.

As at 30 September 2007	Singapore Dollar S\$'000	British Pound S\$'000	Euro S\$'000	Canadian Dollar S\$'000	US Dollar S\$'000	Australian Dollar S\$'000	Taiwan Dollar S\$'000	Total S\$'000
<b>Assets</b>								
<b>Financial assets</b>								
Cash at bank	38,943	5	8,535	2	6,942	41	-	54,468
Trade and other receivables	1,867	-	1,300	(14)	27	-	-	3,180
Investments in listed securities	-	-	-	-	-	203,583	-	203,583
Investments in unlisted securities	72,028	548,730	668,082	152,802	-	-	159,569	1,601,211
Other financial assets	53	-	-	-	-	-	-	53
<b>Total assets</b>	<b>112,891</b>	<b>548,735</b>	<b>677,917</b>	<b>152,790</b>	<b>6,969</b>	<b>203,624</b>	<b>159,569</b>	<b>1,862,495</b>
<b>Financial liabilities</b>								
Trade and other payables	(4,766)	-	-	-	(194)	-	(4,532)	(9,492)
Borrowings	(165,955)	-	(44,348)	-	-	-	-	(210,303)
Other financial liabilities	(4,491)	-	-	-	-	-	-	(4,491)
<b>Total liabilities</b>	<b>(175,212)</b>	<b>-</b>	<b>(44,348)</b>	<b>-</b>	<b>(194)</b>	<b>-</b>	<b>(4,532)</b>	<b>(224,286)</b>
<b>Net assets</b>	<b>(62,321)</b>	<b>548,735</b>	<b>633,569</b>	<b>152,790</b>	<b>6,775</b>	<b>203,624</b>	<b>155,037</b>	<b>1,638,209</b>

# Unaudited Financial Report

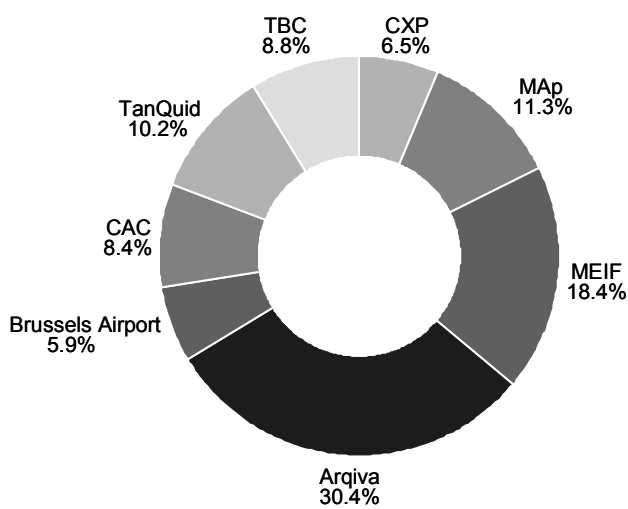
For the quarter ended 30 September 2007

## Investment Portfolio Analysis

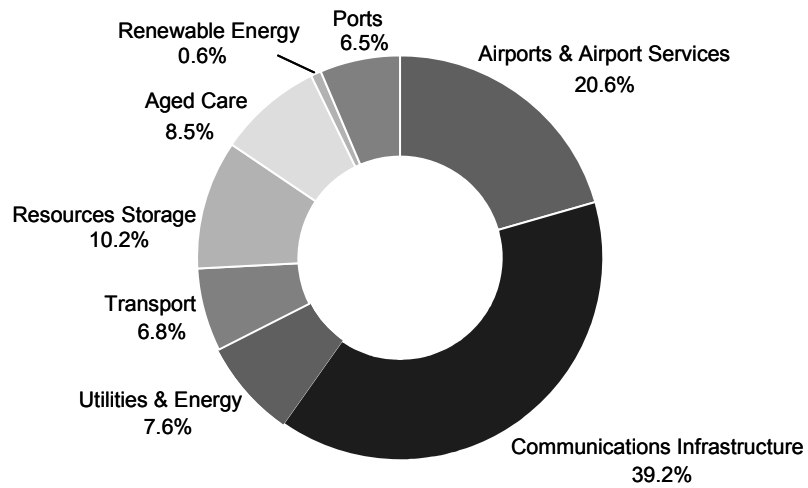
MIIF, is a leading Asia-based private owner and operator of infrastructure assets with significant investments in airports, communications infrastructure, utility and energy assets, water and gas distribution assets, transport infrastructure assets, aged care infrastructure assets and tank storage facilities, among others.

The following diagrams show the contributions that the various investments make to MIIF's overall portfolio based on the 30 September 2007 fair valuation of each asset:

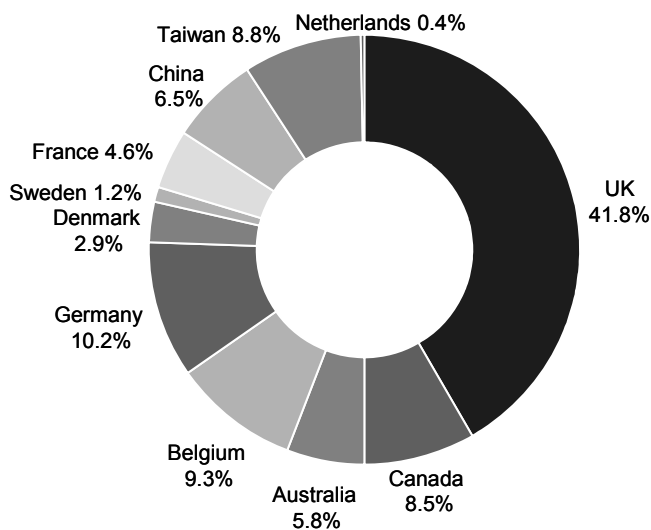
Portfolio Composition by Value<sup>3</sup>



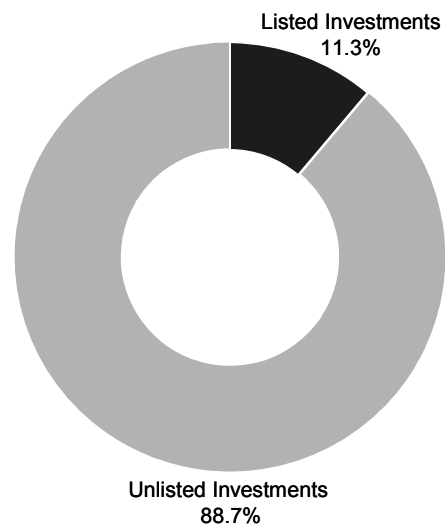
Portfolio Composition by Industry<sup>3</sup>



Portfolio Composition by Country<sup>3</sup>



Listed vs. Unlisted<sup>3</sup>



<sup>3</sup> Based on 30 September 2007 valuations, numbers are subject to rounding

## Unaudited Financial Report

For the quarter ended 30 September 2007

### Arqiva and National Grid Wireless

Date of initial acquisition	Initial – 27 May 2005 Rights Issue – 4 April 2007
Cost of acquisition	Initial – S\$175.7 million Rights Issue – S\$260.0 million
Valuation <sup>3</sup>	S\$548.7 million
MIIF ownership	8.7% interest
% of MIIF portfolio	30.4%

Arqiva is an infrastructure based provider of terrestrial and satellite broadcasting transmission, wireless communications and services to public safety organisations in the UK. Arqiva controls a large portfolio of broadcast towers, satellite transmission facilities and other communications infrastructure. 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.

National Grid Wireless (NGW) is an infrastructure based provider of services to broadcasters, wireless networks and users of wireless networks in the UK. NGW owns and operates approximately 750 broadcast transmission sites and a portfolio of approximately 5,500 active sites for wireless site leasing. NGW also owns and operates two Freeview digital TV multiplexes.

Arqiva and NGW are subject to a hold separate undertaking while the acquisition of NGW by Arqiva is being reviewed by the Competition Commission. The review started in August 2007, after the Office of Fair Trade (OFT) referred the case to the Competition Commission. Arqiva will engage closely with the Competition Commission throughout the merger review process and remains confident that any issues can be addressed to the satisfaction of all parties. The OFT has advised that the review process is expected to be completed by January 2008. Consequently, the financial highlights below relates to Arqiva only.

(S\$million)	Jul-Sep 2007	Jul-Sep 2006	Variance
Revenue <sup>4</sup>	338.4	249.0	35.9%
Operating Expenses <sup>4</sup>	239.9	157.5	52.3%
EBITDA <sup>4</sup>	98.5	91.5	7.6%
EBITDA Margin	29.1%	36.8%	

#### Key Highlights for the period

- SDN awarded Arqiva the contract to build a new digital TV network. The contract is expected to be worth an estimated £500 million and will run until 2034.
- Arqiva was awarded a contract estimated to be worth up to £1 billion by Digital 3 and 4 Ltd to design, build and operate a new high power national digital terrestrial TV network until 2034.
- Arqiva was awarded a contract by the BBC to help bring Freesat, the free-to-air digital TV platform, to air by March 2008.

### Brussels Airport

Date of initial acquisition	27 May 2005
Cost of acquisition	S\$71.7 million
Valuation <sup>3</sup>	S\$106.3million
MIIF ownership	3.2% interest
% of MIIF portfolio	5.9%

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 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.

On 29 August 2007, MIIF announced that it has agreed to sell its 3.2 per cent interest in The Brussels Airport Company (Brussels Airport) to Macquarie Airports (MAp), subject to closing conditions including MIIF shareholder approval at a Special General Meeting (SGM) to be convened on 9 November 2007. MAp's offer price for MIIF's Brussels Airport stake amounts to €52.9 million (S\$109.7 million<sup>5</sup>). The offer price is consistent with MIIF's Brussels

<sup>4</sup> Converted at the 30 September 2007 exchange rate of £1:S\$3.0404. Source: Bloomberg

<sup>5</sup> Converted at the 30 June 2007 exchange rate of €1:S\$2.0730. Source: Bloomberg

## Unaudited Financial Report

For the quarter ended 30 September 2007

Airport valuation of 30 June 2007 and will be adjusted to reflect that valuation rolled forward to the date of transaction completion and for any distributions declared and/or paid until that time.

(S\$million)	Jul-Sep 2007	Jul-Sep 2006	Variance
Revenue <sup>6</sup>	225.2	210.4	7.0%
Operating Expenses <sup>6</sup>	87.1	77.8	12.0%
EBITDA <sup>6</sup>	138.0	132.6	4.1%
EBITDA Margin	61.3%	63.0%	

### Key Highlights for the period

- Brussels Airport continues to display strong underlying growth with exceptionally good results in its retail and car parking concessions this quarter. Headline EBITDA growth of 4.1% for the third quarter of 2007 is impacted by one-offs. Last year, the third quarter results benefited from an additional €2.5 million worth of commercial trading and other revenues relating to prior years. Combined with €1.3m of non-recurring costs booked this period, the underlying EBITDA growth at Brussels Airport is robust at 10.5%.
- Brussels Airport's performance was underpinned by strong retail and car parking results. Retail revenue increased by 17.0% in the September quarter over the pcp and car parking revenue by 15.3%. Retail performance reflected improved yields from the renegotiated food and beverage concession and the success of new offerings such as the Grab and Fly outlets. Car parking benefited from strong demand at the additional multi-story car park that opened in the second half of 2006 and increased average transaction values as a result of improved product differentiation.
- The attractions of Brussels Airport as an uncongested hub are being increasingly recognised. Traffic for the third quarter of 2007 was 7.5% above that for the same period in 2006. Active airline marketing initiatives have resulted in a number of important traffic developments this quarter:
  - Jet Airways has now commenced two of a planned five services between India and North America.
  - The airport's low fare network will continue to expand following the announcement of new easyJet routes from Brussels to Nice and Berlin and a new Veuling route to Seville.

### Canadian Aged Care (CAC)

Date of initial acquisition	24 Nov 2005
Cost of acquisition	S\$164.9 million
Valuation <sup>3</sup>	S\$152.8 million
MIF ownership	55% economic interest
% of MIF portfolio	8.4%

CAC is a portfolio of long-term care (LTC) homes in Ontario, Canada and is currently the fourth 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.

(S\$million)	Jul-Sep 2007	Jul-Sep 2006	Variance
Revenue <sup>7</sup>	67.0	64.5	3.9%
Operating Expenses <sup>7</sup>	55.6	54.3	2.4%
EBITDA <sup>7</sup>	11.4	10.2	11.8%
EBITDA Margin	17.0%	15.8%	

### Key Highlights for the period

- Average total occupancy for the portfolio was 98.4% for the quarter ended September 2007 compared with 95.7% last year. This reflects increased occupancy at the Vaughan and Orillia homes. Preferred bed average total occupancy for all homes was 84.0% compared with 80.8% last year.
- CAC signed an agreement with a wholly-owned subsidiary of Counsel Corporation, to acquire its portfolio of seven long-term care homes for approximately C\$67 million plus transaction and refurbishment costs. The portfolio of Class C homes includes 1,127 beds and is currently managed by Diversicare Canada Management Services Co., Inc. The acquisition is conditional upon regulatory approval from the Ontario Ministry of Health and Long-Term Care.

<sup>6</sup> Converted at the 30 September 2007 exchange rate of €1:S\$2.1186. Source: Bloomberg

<sup>7</sup> Converted at the 30 September 2007 exchange rate of CAD1:S\$1.4954. Source: Bloomberg

## Unaudited Financial Report

For the quarter ended 30 September 2007

### Changshu Xinghua Port (CXP)

Date of initial acquisition	2 Dec 2005
Cost of acquisition	S\$112.3 million
Valuation <sup>3</sup>	S\$117.9 million
MIIF ownership	38% interest
% of MIIF portfolio	6.5%

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 regional hub for steel and forestry products.

CXP (S\$'million)	Jul-Sep 2007	Jul-Sep 2006	Variance
Revenue <sup>8</sup>	11.0	9.9	11.1%
Operating Expenses <sup>8</sup>	4.6	3.9	17.9%
EBITDA <sup>8</sup>	6.4	6.0	6.7%
EBITDA Margin	58.2%	60.6%	

#### Key Highlights for the period

- General cargo volumes grew by 7% in the quarter ended 30 September 2007 when compared against the pcp. This growth was driven by increases in export and domestic steel products. Forestry cargoes increased by 91% when compared against the pcp. General cargo volumes for 2007 are expected to be strong when compared to the pcp.
- In the quarter ended 30 September 2007, CXP continued its initiatives in adding direct shipping lines with shipping operators in Europe, North America and Middle East. These initiatives will enable CXP to deepen its relationships with its customers and offer a wider range of direct international shipping options and value added suite of services.

### TanQuid

Date of initial acquisition	TanQuid – 16 Nov 2005 Petroplus – 31 July 2006
Cost of acquisition	TanQuid – S\$90.3 million Petroplus – S\$24.1 million
Valuation <sup>3</sup>	S\$183.3 million
MIIF ownership	100% interest
% of MIIF portfolio	10.2%

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 Reserve (EBV).

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.

On 17 September 2007, MIIF announced that it has agreed to sell its 100 per cent interest in its wholly owned subsidiary, Macquarie Storage Holdings Limited (MSHL), the holding company of TanQuid GmbH & Co KG (TanQuid) to LODH Macquarie Infrastructure Fund (LMIF). The sale is subject to closing conditions including MIIF shareholder approval at a Special General Meeting (SGM) to be convened on 9 November 2007. LMIF's offer price for TanQuid amounts to €89.0 million (S\$184.5 million<sup>9</sup>). The offer price is consistent with MIIF's TanQuid valuation of 30 June 2007 and will be adjusted to reflect that valuation rolled forward to the date of transaction completion and for any distributions declared and/or paid until that time.

(S\$'million)	Jul-Sep 2007	Jul-Sep 2006	Variance
Revenue <sup>10</sup>	31.6	31.4	0.7%
Operating Expenses <sup>10</sup>	19.7	19.9	-1.1%
EBITDA <sup>10</sup>	11.9	11.4	3.7%

<sup>8</sup> Converted at the 30 September 2007 exchange rate of S\$1:RMB5.054. Source: Bloomberg

<sup>9</sup> Converted at the 17 September 2007 exchange rate of €1:S\$2.0730. Source: Bloomberg

<sup>10</sup> Converted at the 30 September 2007 exchange rate of €1:S\$2.1186. Source: Bloomberg

## Unaudited Financial Report

For the quarter ended 30 September 2007

### Key Highlights for the period

- Capacity bookings continued to remain high at 99.0% for the third quarter of 2007 as demand for tank storage remains strong
- Strong results continued to be posted at the key sites of Duisburg, Hunenxe and Speyer as a consequence of continual management of the portfolio of products stored. Earlier this year EBV capacity was transferred from Duisburg to Hunenxe, releasing capacity at Duisburg for storing the higher margin chemicals products.

### Taiwan Broadband Communications

Date of initial acquisition	16 July 2007
Cost of acquisition	S\$161.8 million
Valuation <sup>3</sup>	S\$159.6 million
MIIF ownership	20% interest
% of MIIF portfolio	8.8%

TBC is one of the three 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.

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

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

(\$'million)	Apr-Jun 2007	Apr-Jun 2006	Variance
Revenue <sup>11</sup>	69.4	67.9	2.3%
Operating Expenses <sup>11</sup>	28.1	28.3	(0.7)%
EBITDA <sup>11</sup>	41.3	39.6	4.5%

### Key Highlights for the period

- TBC continued to focus on strategies to expand its broadband internet and premium digital television service.
  - During 2007, TBC completed a technology upgrade to facilitate a significant increase in broadband internet speeds, allowing it to provide subscribers with an 8MB to 12MB offering.
  - In premium digital television, TBC continued with initiatives to develop an enhanced package of digital channels.
- TBC also continued its focus on the recruitment and training of sales and marketing staff for the continued positioning of the business for growth in value-added services.

### Macquarie European Infrastructure Fund (MEIF)

Date of initial acquisition	14 July 2005
Cost of acquisition	S\$194.8 million
Valuation <sup>3</sup>	S\$332.5 million
MIIF ownership	6.3% interest
% of MIIF portfolio	18.4%

MEIF is a limited partnership that was established to make equity and equity-related investments in a diversified portfolio of infrastructure assets and related assets located in developed European OECD countries. MEIF aims to deliver moderate capital growth and sustainable cash yields over the long term. MEIF completed its final close in June 2005, with total investor commitments of €1.5 billion.

### Key Highlights for the period

- MEIF issued final commitment drawdown notices to its investors in late July 2007. Consequently, MIIF's funding commitment to MEIF has now been fulfilled.
- MEIF continued to explore opportunities to improve the financial and operational performance of the assets within its portfolio and to support their ongoing growth during the quarter ended 30 September 2007.
- The regulatory approval process for the acquisition by MEIF of 49.0% economic interest in NRE has been delayed.

<sup>11</sup> Results based on TBC management accounts and compared on a like-for-like basis. Converted at the 30 September 2007 exchange rate of S\$1:NT\$21.9956. Source: Bloomberg

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For the quarter ended 30 September 2007

### Macquarie Airports (MAp)

Date of initial acquisition	27 May 2005
Cost of acquisition	S\$154.5 million
Valuation <sup>3</sup>	S\$203.6 million
MIIF ownership	2.1% economic interest
% of MIIF portfolio	11.3%

MAp is a globally diversified airport fund and one of the world's largest private airport owners and operators. Listed on the Australian Stock Exchange (ASX), MAp is a top 50 ASX listed 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.

#### Key Highlights for the period

- MAp agreed to dispose of its 44.74% stake in Aeroporti di Roma (AdR) to Leonardo S.r.L, a wholly-owned subsidiary of Gemina S.p.A for a cash consideration of £1,237 million. MAp, through its interest in MALSA, had a 34.2% interest in AdR. Financial close of the transaction occurred on 18 July 2007. MAp generated an IRR of 25.3% pa on its investment in AdR.
- In July, a MAp-led consortium acquired a 9.56% shareholding in Japan Airport Terminal Co Ltd (JAT). The consortium further increased its shareholding in JAT to 12.47% in September. MAp's interest in JAT amounts to 7.51%. The consortium increased its stake in JAT to 19.9% post end of September 2007, with MAp taking a stake of 14.9%.
- MAp announced its financial results for the six months ended 30 June 2007. The key highlights are as follows:
  - Net result attributable to MAp security holders was A\$953.0 million for the six months to 30 June 2007.
  - Proportionate consolidated pro-forma EBITDA growth of 7.0% on pcp.
  - Asset Backing Attributable to Investments<sup>5</sup> of \$4.92 per stapled security, up from \$3.93 as at 31 December 2006.
  - Substantial net cash position retained to ensure MAp is well-positioned to take advantage of possible opportunities created by the current market uncertainty – capital management initiatives remain an option in the absence of investment opportunities.
- MAp agreed to acquire MIIF's 3.2% stake in Brussels Airport for approximately €52.9 million (S\$109.7 million<sup>5</sup>), bringing the amount invested in existing or new airport assets so far this year to almost A\$1bn. MAp acquired an additional 5% interest in Brussels Airport from Federale Participatie-en Investeringsmaatschappij (FPIM), the investment vehicle of the Belgian State, post period end.
- Macquarie Airports Group (MAG) and Dublin Airport Authority plc (DAA), who each indirectly held an interest of 24.125% in Birmingham Airport Holdings Limited (BAHL), agreed to dispose of their combined 48.25% interest in BAHL to Airport Group Investments Limited, a consortium of Ontario Teachers' Pension Plan Board and Victorian Funds Management Corporation, for a combined consideration of £420m. Financial close of the transaction occurred on 19 September 2007. MAp generated an IRR of 20.0% pa on its investment in BAHL.
- BARA endorsed a commercial agreement with Sydney Airport covering international charges for the next five years, providing the airport with certainty of investment. MAp has a 72.1% interest in Sydney Airport.

# Unaudited Financial Report

For the quarter ended 30 September 2007

## Events Subsequent to Balance Sheet Date

### Resignation of Alternate Director

On 5 October 2007, MIIF announced that Gregory Osborne has resigned as an alternate director to John Roberts on the MIIF board in order to concentrate on his other responsibilities within the Macquarie Group.

Mr Osborne is an executive director of Macquarie Group Limited, where he is involved in the sourcing, negotiating, buying and managing of large infrastructure assets for funds managed within Macquarie Capital.

MIIF's directors are:

John Roberts – Chairman  
Heng Chiang Meng – Deputy Chairman, Independent Director  
Michael Hamer – Independent Director  
Robert Mulderig – Independent Director

### Acquisition of Hua Nan Expressway in China

On 7 November 2007, MIIF announced that it has acquired an equity interest of 90 per cent in South China Highway Development (HK) Ltd (South China<sup>12</sup>), which owns a 90 per cent interest in Hua Nan Expressway, a 31 kilometre dual-carriage urban toll road in the city of Guangzhou, the capital of Guangdong province in China. MIIF's interest in Hua Nan Expressway is 81 per cent. The acquisition is subject to customary closing conditions.

The total acquisition price for Hua Nan Expressway is approximately RMB3,957 million (S\$783 million<sup>13</sup>), which comprises RMB2,271 million (S\$450 million) of proportional senior debt and an equity commitment of RMB1,686 million (S\$333 million) (including transaction costs). MIIF will fund the acquisition from proceeds derived from the divestment of non-Asian assets and its existing committed debt facilities.

### Special General Meeting

At the Special General Meeting of MIIF held at 2.00pm on 9 November 2007, all the Ordinary Resolutions relating to the following matters as set out in the Notice of SGM dated 22 October 2007 were put to the Meeting and duly passed:-

#### **No. Ordinary Resolutions**

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
3. The proposed adoption of the Scrip Dividend Scheme

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<sup>12</sup> MIIF acquired its stake in South China from Preciseway Management Limited and Topwise Consultants Limited (collectively known as the Vendors). The Vendors will retain a 10 per cent interest in South China

<sup>13</sup> All currency conversions calculated on the basis of RMB/SGD 5.0507

## Unaudited Financial Report

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### Commentary on Competitive Industry Conditions

Infrastructure as a sector has grown rapidly. An estimated 2% of GDP, or around US\$800bn, is spent on infrastructure investment and maintenance annually. As an indicator of the sector's growth, the total market capitalisation of the Macquarie Global Infrastructure Index, a proxy for listed global infrastructure, has grown from US\$465bn since 2000 to US\$1,785bn in March 2007.

MIIF is the flagship Asian listed infrastructure fund of the Macquarie Group (Macquarie). MIIF benefits from Macquarie's infrastructure expertise in tracking new opportunities and acquiring infrastructure assets in diversified sectors at competitive prices around the world, but with an increasing focus on Asia.

The attractiveness of Asia as an investment destination for infrastructure is driven by the following factors:

#### Demographic change

Rising populations and demographic change put pressure on existing infrastructure and create demand for increased investment. According to World Bank estimates, the urban population in East Asia and the Pacific region is projected to increase by 500m over the next 20 years.

This growth will place tremendous pressure on existing urban infrastructure, especially on basic services such as electricity generation, telecoms, water and sanitation. The World Bank estimates that infrastructure investment of close to US\$180bn a year will be required for the East Asia and the Pacific region alone.

#### Economic Growth

Sustainable economic growth over the long term requires investment in new infrastructure and maintenance of existing infrastructure assets.

Strong economic growth, measured by increasing GDP and increasing wealth among consumers, is likely to spur infrastructure investment, particularly in developing countries. Higher incomes bring increased demand for a better quality of life, enhanced environmental and government services, and the extension of municipal services to communities.

According to the World Bank, Asia grew by 4% in 2004 and is expected to grow by a compounded annual rate of 10% by 2014. GDP growth will drive demand for infrastructure investment and sustainable growth can only be achieved through continued investment.

#### Infrastructure Investments

The Asian Development Bank<sup>14</sup> estimates that in East Asia alone, the expected infrastructure service needs will be US\$165bn annually over the next five years. This is approximately 6.2% of the region's annual GDP. These estimates take into account both new investments and maintenance of existing assets. To meet these needs, it is estimated that 65% of the expenditure would have to be new investment.

Governments, often faced with growing deficits and other demands on spending, are struggling to keep up with the growing demand for infrastructure investment. While demand continues to rise, government spending on infrastructure has declined, creating a widening investment gap.

According to World Bank estimates, developing countries must spend an estimated 7% of GDP annually, in order to service infrastructure requirements for both new investment and operations and maintenance of existing infrastructure. Since developing countries today spend an average of 3-4% of GDP on infrastructure annually, they face a substantial investment gap.

The widening investment gap has opened the door for private involvement in infrastructure provision. Governments are increasingly allowing private capital to flow into sectors which were traditionally under the complete purview of the government.

Private investment in infrastructure has taken three routes of full private provision, public-private partnership and private finance initiative schemes. According to the World Bank, private investors contributed US\$580bn in more than 1,900 infrastructure projects in developing countries from 1990 to 1999.

<sup>14</sup><http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/EXTEAPINFRASTRUCTURE/0,,contentMDK:20700727~pagePK:64168445> Asian Development Bank

## Unaudited Financial Report

For the quarter ended 30 September 2007

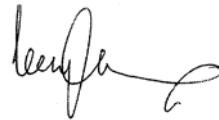
### Confirmation of the Board pursuant to Rule 705(4) of the Listing Manual

On behalf of the Board of Directors of Macquarie International Infrastructure Fund Limited, I, the undersigned hereby confirm to the best of my knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the quarter ended 30 September 2007 to be false or misleading.

On behalf of the Board of Directors



John Stuart Hugh Roberts  
Chairman  
Sydney



Heng Chiang Meng  
Deputy Chairman  
Singapore