



# Macquarie International Infrastructure Fund Limited

## SGX Quarterly Report 31 March 2006

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

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## Review of Macquarie International Infrastructure Fund Limited Performance

### Comparison of Actual Results against the Circular Forecasts

Macquarie International Infrastructure Fund Limited ("MIIF" or the "Company"), and its subsidiaries collectively referred to as the "Group", continued to perform well during the quarter, meeting all forecasts as detailed in the MIIF Circular dated 15 November 2005 (the "Circular").

This strong performance has enabled the Company to confirm its dividend guidance for the period ended 30 June 2006 of 3.95 cents per share.

#### INCOME STATEMENT

The following table compares the unaudited actual results for the quarter ended 31 March 2006 to the forecasts included in the Circular. The table details net income of \$6.7 million (before items not included in the Circular forecast) compared to a Circular forecast of \$3.8 million. This table also details those items which are included in the financial performance of the Group (as shown on page 8), but were not included in the Circular forecast. The impact of these items was taken into account and disclosed in the Circular and, as noted in the Circular, will not impact the ability of the Group to meet its ongoing dividend guidance issued.

	Group For the quarter ended 31 March 2006 Unaudited results Adjusted Actuals \$'000	Group For the quarter ended 31 March 2006* Forecast \$'000
<b>Revenue</b>		
Distribution income	485	492
Investment income	9,177	7,208
Interest income	469	25
<b>Total investment revenue</b>	<b>10,131</b>	<b>7,725</b>
<b>Expenses</b>		
Management fees	3,083	3,259
Directors' fees	60	60
Borrowing costs	70	271
Other operating expenses	188	329
<b>Total operating expenses</b>	<b>3,401</b>	<b>3,919</b>
<b>Net income before items not included in Circular forecast</b>	<b>6,730</b>	<b>3,806</b>
<b>Income items not included in Circular forecast</b>		
Net loss on movement in fair value of financial assets	(2,986)	-
Foreign exchange gain	555	-
<b>Expense items not included in Circular forecast</b>		
Borrowing costs	(1,394)	-
<b>Net income on an unconsolidated basis</b>	<b>2,905</b>	<b>3,806</b>
Additional net income recognised on consolidation	8,193	-
<b>Net income on a consolidated basis</b>	<b>11,098</b>	<b>3,806</b>

\* The Circular included a forecast for the six month period to 30 June 2006. The above forecast is based on the detailed monthly forecast underlying the forecast included in the Circular.

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## Comparison of Actual Results against the Circular Forecasts (continued)

Unless otherwise stated all amounts are in Singapore Dollars.

Year to Date refers to the quarter ended 31 March 2006.

Distribution and Investment income from the underlying investment portfolio of MIIF of \$10.1 million was \$2.4 million ahead of Circular forecast. The difference in income is due to the timing of distributions from assets.

- Distribution income includes distributions received from MIC of \$0.5 million.
- Investment income of \$9.2 million includes payments received from MIIF's unlisted investments including Brussels Airport, TSB and Leisureworld.

In the income statement on page 8 distribution and investment income are shown as part of "Net gain on movement in the fair value of financial assets" in accordance with our accounting policies.

MIIF generated interest income on its cash balances of \$0.5 million.

Base management fees payable to Macquarie Infrastructure Management (Asia) Pty Limited (the "Manager") were below forecast due to a lower than expected share price. Borrowing costs were lower than forecast due to the deferred execution of a bank facility, resulting in lower commitment fees than anticipated.

### Income items not included in Circular forecast:

- Net loss on movement in the fair value of financial assets of \$3.0 million. This refers to the decrease in the fair value of these assets during the period being reported on. These losses do not represent cash outflows for the Group, but arise as a result of accounting for the investments of the Group at fair value. The net gain on movement in the fair value of financial assets as shown in the income statement on page 8 differs from the above amount due to a difference in MIIF's accounting policies between the Circular and this period end report.

### Expense items not included in Circular forecast:

- Borrowing costs of \$1.4 million relates to loan establishment costs. The Circular forecast did not include such borrowing costs.

The forecast profit excluded these items in order to reflect a "normalised" income statement for the forecast period.

## BALANCE SHEET

Trade and other receivables amount to \$16.4 million, down from \$39.2 million. The balance relates mainly to trade receivables from storage services provided by MIIF's subsidiary Deukalon Tanklager GmbH & Co. KG (TSB). The December balance included dividend receivables of \$18.2 million, which were received during the quarter.

Property, plant and equipment of \$274.5 million relate to the tank storage facilities in Germany and other property, plant and equipment.

Financial assets at fair value have changed only slightly. The adverse impacts of movements in foreign exchange rates were offset by revaluations of the underlying assets.

Goodwill of \$82.8 million has arisen on the acquisition of TSB and represents the excess of the amount paid for TSB over the fair value of the net identifiable assets of TSB as at the date of acquisition. MIIF is still in the process of performing a detailed fair value assessment of all assets and liabilities acquired and in accordance with the International Financial Reporting Standard, IFRS 3, any changes identified as a result of this process to the fair value of the assets acquired and liabilities assumed will be reflected as an adjustment to goodwill. In accordance with IFRS 3, this assessment will be completed within twelve months from the date of acquisition of TSB. The change since 31 December 2005 is due to the effects of foreign exchange movements.

Trade and other payables mainly relate to TSB. TSB's liabilities account for \$28.4 million and represent mainly liabilities for lease rentals and other trade creditors. Other payables include accrued transaction costs in relation to the Equity Fund Raising and the new acquisitions of approximately \$7.5 million, and management fees of \$6.1 million.

## Comparison of Actual Results against the Circular Forecasts (continued)

Provisions of \$16.1 million arise only on consolidation of TSB, and relate to storage site rehabilitation obligations and long-term employee benefits.

Deferred tax liabilities of \$2.2 million arise on consolidation and relate to the acquisition of TSB.

### **BORROWINGS**

As at 31 March 2006, MIIF had total borrowings of \$253.3 million outstanding as set out on page 15. These borrowings are recognised on consolidation of TSB. The funds relating to these borrowings formed part of the acquisition price relating to TSB.

### **CASH FLOWS**

The Group generated an operating cash flow of \$25.2 million, which together with cash at the beginning of the period were used to fund the dividend payment of \$39.7 million made by MIIF in March 2006.

## Investment Portfolio

MIIF was incorporated in Bermuda on 7 January 2005 and was subsequently registered as a mutual fund company, which was formed to own, operate and invest in a diversified group of infrastructure businesses around the world. On 27 May 2005 MIIF listed on the Singapore Exchange Securities Trading Limited (SGX).

### **Existing Investment Portfolio**

The net IPO, over-allotment, Cornerstones and Sponsor and Equity Fund Raising proceeds were used to acquire the following investments either via direct investment or by way of total return swaps.

#### ■ **Arqiva (formerly ntl Broadcast)**

Arqiva is one of only two TV broadcast transmission operators in the UK and the second largest independent wireless site leasing provider in the UK. 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. MIIF has an 8.69% direct interest in Arqiva plus an additional 2.64% indirect interest held through its investment in Macquarie Communications Infrastructure Group (MCG), an Australian Stock Exchange (ASX) listed fund.

#### ■ **Brussels Airport**

Brussels Airport is the largest airport in Belgium with 16.2 million passengers in 2005, representing approximately 85% of total Belgian airline passenger traffic. MIIF has a 3.21% direct interest in Brussels Airport plus an additional 1.81% indirect interest held through its investment in Macquarie Airports, an ASX listed group, and its investment in Macquarie European Infrastructure Fund.

#### ■ **Novera Macquarie Renewable Energy Joint Venture Limited (Novera)**

NMRE owns and operates electricity generation projects across 60 sites in the UK, with a total capacity of 144 MW, of which, 122 MW is currently operational. Electricity is generated from renewable sources such as landfill gas, hydro and wind. MIIF has a 50.00% interest in NMRE through its wholly owned subsidiary, Macquarie Renewables Limited.

On 21 October 2005 Novera announced that it had acquired additional landfill gas assets in the UK for a consideration of GBP11 million. MIIF contributed equity of GBP1.9 million to partly fund the acquisition.

#### ■ **Macquarie European Infrastructure Fund (MEIF)**

MEIF is an unlisted investment fund with investments in infrastructure and related assets in European OECD countries. MIIF has invested €42.3 million (\$87.4 million) during the period and holds a 6.32% interest in MEIF. MIIF has committed to invest a further €53.5 million, to be drawn at the discretion of MEIF, to fund MEIF's future acquisitions.

## Investment Portfolio (continued)

### ■ Macquarie Airports (MAp)

MAp is an ASX listed globally diversified airport fund. MAp currently has interests in airports located in Sydney, Rome, Copenhagen, Bristol, Birmingham and Brussels, which collectively handled over 100 million passengers in 2004. MIIF has a 2.21% direct interest in MAp by way of a total return swap with a Macquarie Bank Group member.

During March 2006 MAp and Ferrovial Infraestructuras S.A ("Ferrovial") entered into a conditional put and call options over Ferrovial's interest in Sydney and Bristol airports.

### ■ Macquarie Communications Infrastructure Group (MCG)

MCG targets investments in communications infrastructure. MCG has investments in Broadcast Australia which owns and operates the most extensive broadcast transmission infrastructure network in Australia. MCG also has a controlling interest in Arqiva (formerly ntl Broadcast). MIIF has a 4.76% direct interest in MCG by way of a total return swap with a Macquarie Bank Group member and a 0.09% indirect interest in MCG.

### ■ Diversified Utility and Energy Trusts (DUET)

DUET owns a diverse portfolio of energy utility assets. DUET is an ASX listed group which holds interests in gas pipelines and distribution networks in Western Australia and electricity and gas distribution networks in Victoria. MIIF has a 4.15% direct interest in DUET by way of a total return swap with a Macquarie Bank Group member.

### ■ Macquarie Infrastructure Company (MIC)

MIC is listed on the NYSE. MIC focuses on infrastructure opportunities in the United States and other OECD countries. MIC currently owns airport services, airport parking and district energy businesses and interests in MCG, South East Water and a UK toll road. MIIF has a 2.21% direct interest in MIC by way of a total return swap with a Macquarie Bank Group member.

### ■ Canadian Aged Care (also known as Leisureworld)

Canadian Aged Care owns and operates 19 Long Term Care (LTC) facilities, two retirement homes and one Independent Living facility in Ontario, Canada. Canadian Aged Care is the third largest operator of LTC facilities in Ontario. MIIF acquired a 55% economic interest in Canadian Aged Care by way of total return swaps with Macquarie Bank Group members. The investment in Canadian Aged Care was acquired on 22 November 2005.

### ■ Changshu Xinghua Port Co., Ltd (CXP)

CXP is a multi-purpose cargo river port which handles mainly steel and forestry products and containers. CXP enjoys a competitive advantage and strong growth opportunities through its strategic location on the Yangtze River Delta, one of China's fastest growing industrial regions. MIIF acquired a 40% interest in Singapore Changshu Development Company which owns 95% of CXP, giving MIIF an effective interest in CXP of 38%. The investment in CXP was acquired on 2 December 2005.

### ■ Deukalion Tanklager GmbH & Co. KG (TSB)

TSB is an oil and chemicals tank storage business and the largest independent provider of oil storage services in Germany with an overall capacity of almost 3 million cubic metres. The TSB business consists of 10 tank storage sites strategically located close to major industry centres throughout Germany. MIIF acquired 100% of TSB in November 2005. The investment in TSB was acquired on 16 November 2005.

## Competitive Industry Conditions

MIIF has been formed to own, operate and invest in a diversified group of infrastructure businesses around the world. MIIF's investments reside primarily in China, Australia, Canada, parts of Europe and the United States. The performance of these economies is expected to influence the performance of MIIF.

### ■ China

MIIF's exposure to the Chinese market is through its investment in CXP. The Chinese economy is expected to continue to grow strongly in 2006 albeit at a slower rate than in previous years, and is expected to accelerate again as economic reform unfolds. Through its strategic location on the Yangtze River, CXP is well placed to benefit from economic growth and increasing exports.

### ■ Australia

The exposure to the Australian market for MIIF arises through its interests in MAp, MCG and DUET. The industries MIIF is exposed to in Australia are airports, telecommunications and utilities. The underlying assets of MIIF's investments across all three infrastructure classes operate in a regulated environment, with high barriers of entry and stable incomes. Further growth is mainly expected in the telecommunications sector through the government backed roll-out of new technologies.

### ■ Canada

MIIF is operating in the Canadian market through its interest in Canadian Aged Care, a provider of social infrastructure in Ontario. The aged care industry in Ontario is fragmented, which offers consolidation opportunities. In addition MIIF sees opportunities for natural growth due to an aging population.

### ■ Europe

MIIF is exposed to various infrastructure classes around Europe through direct investments in Arqiva, NMRE, Brussels Airport and TanQuid. It has further exposure through its investments in MEIF, MAp, MCG and MIC. The exposure in Europe ranges across several infrastructure asset classes, being airports, telecommunications, renewable energy, utilities, ferries, oil and chemicals storage and toll roads. The underlying investments operating across these infrastructure classes operate in regulated industries with high barriers of entry. Short term changes in economic conditions have only limited impact on these markets as they mainly provide essential infrastructure used by customers on a daily basis.

### ■ US

MIIF's exposure to the US market arises through its investment in MIC. MIC holds investment in airport services, utilities and toll roads. These investments operate in a similar environment as our assets in Europe and have a similarly limited exposure to changes of economic conditions.

## Dividends

MIIF paid a dividend of 3.1 cents per share in relation to the period ended 31 December 2005 on 29 March 2006. The dividend for the period to 30 June 2006 has not been announced but is expected to be consistent with guidance already issued.

As the Company was incorporated in Bermuda and is not resident in Singapore for tax purposes, dividends paid by the Company will be regarded as foreign-source income. The foreign dividend is subject to Singapore income tax when received in Singapore by corporate shareholders. Foreign dividends received by foreign investors with no permanent establishments 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.

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## 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.

## Consolidation

In the preparation of its consolidated financial statements, MIIF has decided to apply the exemption available under paragraph 26 of IAS 27 *Consolidated and Separate Financial Statements*. This exemption allows to use financial information for subsidiaries with a different reporting date, if it is unpracticable to prepare to prepare financial information as at the same reporting date. MIIF is using financial information from TSB as at 28 February 2006. As a result the consolidated financial statements for the Group includes the financial information of TSB for the period 1 January 2006 to 28 February 2006.

## Changes in Share Capital

There were no changes in Share Capital during the quarter ended 31 March 2006.

## Changes to the Group Structure

On 31 March 2006 MIIF entered into an agreement with a Macquarie Group entity under which MIIF obtained the right to appoint all the directors of Macquarie Leisureworld Holdings Limited ("MLHL"), the entity holding the 55% economic interest in Canadian Aged Care. MIIF did not obtain legal ownership of MLHL.

## Interested Person Transactions

### (a) Directors

The following persons were directors of MIIF during the financial period:

	Date of Appointment	Date of Resignation
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	Not applicable

### Directors remuneration

John Roberts and Gregory Osborne are executive directors of Macquarie Bank Limited, 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 the Company, 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.

### (b) The Manager

The Manager was appointed by the Company as the sole and exclusive manager pursuant to a management agreement dated 19 May 2005.

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## Interested Person Transactions (continued)

The following relationships and transactions with the Manager exist:

	Group For the quarter ended 2006 \$'000	Company For the quarter ended 2006 \$'000
<b>Transactions</b>		
Base management fees	3,083	3,083
Dividends	3,224	3,224
<b>Balances</b>		
Accrued base management fees	6,137	6,137
Total liabilities payable to the Manager	6,137	6,137

The Manager holds 104,011,754 ordinary shares in the Company.

### (c) Macquarie Bank Group

Macquarie Bank Limited ("MBL") is the ultimate parent of the Manager. MBL and its subsidiaries and in particular the Investment Banking Group are an important source of acquisition opportunities and financial and acquisition advice. The Group did not enter into any such transactions during the quarter ended 31 March 2006.

The Company utilises the services provided by MBL's foreign exchange department from time to time to enter into foreign exchange forward contracts.

TSB has entered into an interest rate swap with a Macquarie Group entity on normal commercial terms.

## Subsequent Events

There have been no significant events from balance date to the date of this report.

## Income Statement

	Group For the quarter ended 31 March 2006 \$'000 Unaudited	Group Year to date 31 March 2006 \$'000 Unaudited
<b>Income</b>		
Storage revenue	15,646	15,646
Interest revenue	479	479
Net foreign exchange gain	555	555
Net gain on financial assets at fair value through profit or loss	13,442	13,442
<b>Total income</b>	<b>30,122</b>	<b>30,122</b>
<b>Expenses</b>		
Base management and performance fee	3,083	3,083
Finance costs	2,876	2,876
Employee benefits expense	4,756	4,756
Depreciation	2,729	2,729
Professional services	469	469
Consumables	1,142	1,142
Rental expense	1,004	1,004
Directors' fees	60	60
Other operating expenses	2,829	2,829
<b>Total operating expenses</b>	<b>18,948</b>	<b>18,948</b>
<b>Profit before income tax</b>	<b>11,174</b>	<b>11,174</b>
Income tax expense	(76)	(76)
<b>Profit after income tax</b>	<b>11,098</b>	<b>11,098</b>
<b>Profit attributable to the equity holders of the parent</b>	<b>11,098</b>	<b>11,098</b>
Basic earnings per share (cents per share)	0.87	0.87
Diluted earnings per share (cents per share)	0.87	0.87

No comparative figures for the corresponding period in the immediately preceding financial year are disclosed as MIIF was dormant prior to its listing on 27 May 2005.

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## Balance Sheet

	Group As at 31 March 2006 \$'000 Unaudited	Group As at 31 December 2005 \$'000 Unaudited	Company As at 31 March 2006 \$'000 Unaudited	Company As at 31 December 2005 \$'000 Unaudited
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	38,824	51,942	27,983	46,589
Trade and other receivables	16,312	39,132	2,090	18,176
Financial assets at fair value through profit or loss	4,862	3,190	4,862	3,190
Inventory	718	711	-	-
Other assets	22	57	22	57
	<b>60,738</b>	95,032	<b>34,957</b>	68,012
<b>Non-current assets</b>				
Trade and other receivables	74	80	-	-
Property, plant and equipment	274,468	278,121	-	-
Financial assets at fair value through profit or loss	1,125,900	1,125,103	1,202,813	1,207,471
Goodwill	82,840	83,756	-	-
	<b>1,483,282</b>	1,487,060	<b>1,202,813</b>	1,207,471
<b>Total assets</b>	<b>1,544,020</b>	1,582,092	<b>1,237,770</b>	1,275,483
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	42,115	45,758	13,714	14,695
Borrowings	5,518	5,540	-	-
	<b>47,633</b>	51,298	<b>13,714</b>	14,695
<b>Non-current liabilities</b>				
Provisions for other liabilities and charges	16,116	18,288	-	-
Borrowings	247,802	247,658	-	-
Financial liabilities at fair value through profit or loss	-	1,349	-	-
Deferred income tax liabilities	2,229	2,238	-	-
	<b>266,147</b>	269,533	-	-
<b>Total liabilities</b>	<b>313,780</b>	320,831	<b>13,714</b>	14,695
<b>Net assets</b>	<b>1,230,240</b>	1,261,261	<b>1,224,056</b>	1,260,788
<b>Equity</b>				
Share capital	1,231,572	1,231,539	1,231,572	1,231,539
Foreign currency translation reserve	(9,106)	(6,624)	-	-
Retained earnings	7,774	36,346	(7,516)	29,249
<b>Total equity</b>	<b>1,230,240</b>	1,261,261	<b>1,224,056</b>	1,260,788

## Statement of Cash Flows

	Group For the quarter ended 31 March 2006 \$'000 Unaudited	Group Year to date 31 March 2006 \$'000 Unaudited
<b>Cash flows from operating activities</b>		
Profit after tax	5,459	5,459
Adjustments for non cash items:		
Depreciation	2,729	2,729
Unrealised foreign exchange gains	(555)	(555)
Revaluation of financial assets at fair value through profit or loss	495	495
Other non cash items	33	33
Changes in operating assets and liabilities, net of the effects from acquisitions of controlled entities and business assets:		
Decrease in trade and other receivables	22,826	22,826
Increase in inventory	(7)	(7)
Decrease in trade and other payables	(3,644)	(3,644)
Decrease in provisions for other liabilities and charges	(2,172)	(2,172)
Decrease in other assets	35	35
Decrease in the provision for deferred income tax liabilities	(9)	(9)
<b>Net cash inflow from operating activities</b>	<b>25,190</b>	<b>25,190</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(165)	(165)
<b>Net cash outflow from investing activities</b>	<b>(165)</b>	<b>(165)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	2,030	2,030
Repayment of borrowings	(914)	(914)
Dividends paid	(39,670)	(39,670)
<b>Net cash outflow from financing activities</b>	<b>(38,554)</b>	<b>(38,554)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(13,529)</b>	<b>(13,529)</b>
Cash and cash equivalents at beginning of period	51,942	51,942
Effects of exchange rate changes on cash and cash equivalents	411	411
<b>Cash and cash equivalents at 31 March 2006</b>	<b>38,824</b>	<b>38,824</b>

No comparative figures for the corresponding period in the immediately preceding financial year are disclosed as MIIF was dormant prior to its listing on 27 May 2005.

## Consolidated Statement of Changes in Shareholders' Equity

Changes in Shareholders' Equity of the Group for the quarter ended 31 March 2006	Share Capital and Reserves \$'000	Retained Earnings \$'000	Translation Reserves \$'000	Total \$'000
<b>Balance as at 1 January 2006</b>	1,231,539	36,346	(6,624)	1,261,261
Foreign currency translation reserve recognised directly in equity	-	-	(2,482)	(2,482)
Profit after tax for the period	-	11,098	-	11,098
<b>Total recognised gains for the period</b>	-	11,098	(2,482)	8,616
Transactions with equity holders in their capacity as equity holders:				
Dividends paid	-	(39,670)	-	(39,670)
Capital raising costs	33	-	-	33
<b>Balance at 31 March 2006</b>	1,231,572	7,774	(9,106)	1,230,240

No comparative figures for the corresponding period in the immediately preceding financial year are disclosed as MIIF was dormant prior to its listing on 27 May 2005.

## Statement of Changes in Shareholders' Equity of the Company

Changes in Shareholders' Equity of the Company for the quarter ended 31 March 2006	Share Capital and Reserves \$'000	Retained Earnings \$'000	Total \$'000
<b>Balance as at 1 January 2006</b>	1,231,539	29,249	1,260,788
Profit after tax for the period	-	2,905	2,905
<b>Total recognised gains for the period</b>	-	2,905	2,905
Transactions with equity holders in their capacity as equity holders:			
Dividends paid	-	(39,670)	(39,670)
Capital raising costs	33	-	33
<b>Balance at 31 March 2006</b>	1,231,572	(7,516)	1,224,056

No comparative figures for the corresponding period in the immediately preceding financial year are disclosed as MIIF was dormant prior to its listing on 27 May 2005.

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## Net Asset Value

	Group As at 31 March 2006 \$'000 Unaudited	Group As at 31 December 2005 \$'000 Unaudited	Company As at 31 March 2006 \$'000 Unaudited	Company As at 31 December 2005 \$'000 Unaudited
<b>Net Asset Value</b>				
Total net asset value (\$'000)	1,230,240	1,261,261	1,224,056	1,260,788
Total number of ordinary shares on issue used in calculation of net asset value per share ('000)	1,279,687	1,279,687	1,279,687	1,279,687
Net asset value per ordinary share (\$ per share)	\$0.96	\$0.99	\$0.96	\$0.99

## Earnings Per Share

	Group Quarter ended 31 March 2006 Unaudited	Group Year to date 31 March 2006 Unaudited
<b>Basic Earnings per Share</b>		
Earnings used in calculation of basic earnings per share (\$'000)	11,098	11,098
Weighted average number of shares on issue used in calculation of basic earnings per share ('000)	1,279,687	1,279,687
Basic earnings per share (cents per share)	0.87	0.87
<b>Diluted Earnings per Share</b>		
Diluted earnings used in calculation of diluted earnings per share (\$'000)	11,098	11,098
Weighted average number of shares on issue used in calculation of diluted earnings per share ('000)	1,279,687	1,279,687
Diluted earnings per share (cents per share)	0.87	0.87

No comparative figures for the corresponding period in the immediately preceding financial year are disclosed as MIIF was dormant prior to its listing on 27 May 2005.

# Unaudited Financial Report

As at 31 March 2006

## Borrowings

	Group As at 31 March 2006 \$'000 Unaudited	Group As at 31 December 2005 \$'000 Unaudited
Amount repayable in one year or less, or on demand	5,518	5,540
Amount repayable after one year	247,802	247,658
<b>Total borrowings</b>	<b>253,320</b>	<b>253,198</b>
Amount secured	253,320	253,198
Amount unsecured	-	-
<b>Total borrowings</b>	<b>253,320</b>	<b>253,198</b>

The borrowings disclosed above relate to the borrowings of TSB and include bank loans as well as finance lease liabilities. These bank loans are secured through a combination of various pledge agreements, agreements to transfer title in the tangible assets of the business to the lender in the event of default, granting of a charge over the real property of the business to the lender and an assignment of the hedging arrangements from TSB back to the lender. These arrangements exist only with respect to the borrowings of TSB.

Borrowings of MIIF, which are nil at 31 March 2006, are generally unsecured.

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.