

MACQUARIE

**Macquarie International
Infrastructure Fund Limited**

**SGX Quarterly Report for the
quarter ended 31 March 2008**

Unaudited Financial Results

For the quarter ended 31 March 2008

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Unaudited Financial Results

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Performance Review of Macquarie International Infrastructure Fund Limited

Unaudited Financial Results

For the quarter ended 31 March 2008

Introduction

Macquarie International Infrastructure Fund (MIIF or the Company), a Bermudian mutual fund company, is a leading Asia-based private owner and operator of infrastructure assets with significant investments in communications infrastructure, broadcast infrastructure, renewable energy, transport infrastructure assets and aged care infrastructure assets, 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 \$1.1 billion as at 30 April 2008. MIIF has over 6,900 investors, including retail investors, as well as some of the world's foremost institutional investors.

MIIF is the flagship Asian listed infrastructure fund of the Macquarie Group (Macquarie). MIIF benefits from Macquarie's infrastructure expertise in sourcing new investment opportunities and acquiring infrastructure assets in diversified sectors with an increasing focus on Asia.

Dividend Policy

MIIF's dividend policy is based on the anticipated sustainable cash flows from its investments. MIIF intends to pay out as dividends to shareholders the majority of free operating cash available for distribution and not to 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 finance costs, 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 intends 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 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 in the current period.

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.

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

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For the quarter ended 31 March 2008

Review of net income on an adjusted basis

Income Statement Analysis

Net income on an adjusted basis represents the earnings of MIIF that underpins the payment of dividends to MIIF shareholders, and as such is the measure that the Board of Directors of MIIF focuses on to determine the amount of dividends that are ultimately paid to 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.

The following table compares the unaudited actual results for the quarter ended 31 March 2008 to the corresponding quarter ended 31 March 2007.

	Quarter ended 31 Mar 08 \$'000	Quarter ended 31 Mar 07 \$'000
Revenue ⁽¹⁾		
Distribution income	-	518
Investment income	14,344	9,086
Loss on disposal of investment	(2,471)	-
Interest income	97	555
Net foreign exchange gain	2,576	191
Total investment revenue	14,546	10,350
Expenses ⁽²⁾		
Management fees	3,096	3,194
Directors' fees	72	57
Finance costs	1,060	647
Other operating expenses	1,116	1,814
Total operating expenses	5,344	5,712
Net income on an adjusted basis	9,202	4,638
Amounts not included in the above analysis		
Net (loss)/gain on the movement in the fair value of MIIF's financial assets ⁽³⁾	(56,313)	69,793
Transaction costs	(2,000)	-
Net (loss)/income on an unconsolidated basis ⁽⁴⁾	(49,111)	74,431
Consolidation adjustments to net income	(942)	(24,549)
Net (loss)/ income on a consolidated basis ⁽⁴⁾	(50,053)	49,882

1) Please refer to review of revenue on page 18

2) Please refer to review of expense on page 19

3) The net (loss)/gain on financial assets at fair value as shown in the Income Statement on this page is different to the net (loss)/gain on financial assets at fair value as shown on page 8 of this report because of the required treatment of distributions as set out in MIIF's accounting policies and the reclassification of realised loss to be included in loss on disposal of investment.

4) Please refer to page 5 for reconciliation to consolidated income statement.

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

Review of Net income on an adjusted basis

Net income on an adjusted basis is \$9.2 million for the quarter ended 31 March 2008, which is 98.4 % higher compared to the prior corresponding period. This is mainly attributable to the distributions received from CAC and TBC. TBC is an Asian investment that MIIF acquired in July 2007.

Unaudited Financial Results

For the quarter ended 31 March 2008

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

The income statement on page 4 of this report, and specifically the line titled "Net income on an adjusted basis", has been prepared so as to present the earnings out of which MIIF dividends will be paid. The income statement on page 4 has not been prepared in accordance with applicable accounting standards. The consolidated income statement on page 8 has been prepared in accordance with all applicable accounting standards. The table below reconciles the net income on an adjusted basis for the quarter ended 31 March 2008 presented in the income statement on page 4 of this report to the consolidated income statement of the Group (MIIF and its subsidiaries) for the quarter ended 31 March 2008 disclosed on page 8.

	Net Income ⁽¹⁾ on an adjusted basis Year to date 31 Mar 08 \$'000	GAAP Adjustments ⁽²⁾ Year to date 31 Mar 08 \$'000	Consolidation Adjustments ⁽³⁾ Year to date 31 Mar 08 \$'000	MIIF Group ⁽⁴⁾ Year to date 31 Mar 08 \$'000
Income				
Investment income	14,344	(14,344)	-	-
Loss on disposal of investments	(2,471)	2,471	-	-
Interest income	97	-	20	117
Power supply revenue	-	-	343	343
Other income	-	-	5	5
Net foreign exchange gain/(loss)	2,576	-	(9,115)	(6,539)
Net gain/(loss) on financial assets at fair value through profit or loss	-	(44,440)	9,679	(34,761)
Total income/(loss)	14,546	(56,313)	932	(40,835)
Expenses				
Management fees	3,096	-	-	3,096
Employee benefits expense	-	-	31	31
Directors' fees	72	-	32	104
Finance costs	1,060	-	118	1,178
Professional services	-	2,000	547	2,547
Rental expense	-	-	23	23
Amortisation	-	-	191	191
Other operating expenses	1,116	-	(361)	755
Total expenses	5,344	2,000	581	7,925
Profit/(loss) before income tax	9,202	(58,313)	351	(48,760)
Income tax expense	-	-	(1,475)	(1,475)
Minority interest	-	-	182	182
Profit attributable to equity holders	9,202	(58,313)	(942)	(50,053)

1) This is the net income on an adjusted basis presented in the income statement on page 4.

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

3) This is a consolidation adjustment only. It reverses a portion of the net revaluation gains recognised in the unconsolidated income statement of MIIF that relates to assets which are consolidated in the consolidated income statement of MIIF as required by all applicable accounting standards.

4) This is the consolidated profit after tax of the MIIF Group disclosed on page 8.

Unaudited Financial Results

For the quarter ended 31 March 2008

**Macquarie International
Infrastructure Fund Limited**

**Financial Statements for the quarter ended
31 March 2008**

Unaudited Financial Results

For the quarter ended 31 March 2008

Balance Sheet

	Group As at 31 Mar 08 \$'000	Group As at 31 Dec 07 \$'000	Company As at 31 Mar 08 \$'000	Company As at 31 Dec 07 \$'000
Assets				
Current assets				
Cash and cash equivalents	50,020	55,016	43,157	54,930
Trade and other receivables	790	18,759	3,248	20,535
Financial assets at fair value through profit or loss	3,796	1,749	3,796	1,749
Other assets	-	27	-	27
	54,606	75,551	50,201	77,241
Non-current assets				
Trade and other receivables	535	-	-	-
Intangible assets	106,821			
Financial assets at fair value through profit or loss	1,597,026	1,813,406	1,592,282	1,779,917
Goodwill	8,065	-	-	-
	1,712,447	1,813,406	1,592,282	1,779,917
Total assets	1,767,053	1,888,957	1,642,483	1,857,158
Liabilities				
Current liabilities				
Trade and other payables	18,610	28,717	20,854	37,053
Borrowings	34,379	178,224	27,525	178,224
	52,989	206,941	48,379	215,277
Non-current liabilities				
Financial assets at fair value through profit or loss	7,866	453	1,787	453
Provisions for other liabilities and charges	450	-	-	-
Provision for dividends	54,504	-	54,504	-
Borrowings	78,583	-	-	-
	141,403	453	56,291	453
Total liabilities	194,392	207,394	104,670	215,730
Net assets	1,572,661	1,681,563	1,537,813	1,641,428
Equity				
Share capital	1,234,627	1,234,627	1,234,627	1,234,627
Foreign currency translation reserve	(4,604)	(461)	-	-
Retained earnings	308,784	413,343	303,186	406,801
	1,538,807	1,647,509	1,537,813	1,641,428
Minority Interest	33,854	34,054	-	-
Total equity	1,572,661	1,681,563	1,537,813	1,641,428

Unaudited Financial Results

For the quarter ended 31 March 2008

Consolidated Income Statement

	Group Quarter ended 31 Mar 08 \$'000	Group Quarter ended 31 Mar 07 \$'000
Income		
Storage revenue	-	29,628
Power supply revenue	343	-
Interest revenue	117	667
Other income	5	-
Net foreign exchange (loss)/gain	(6,539)	4,089
Total income	(6,074)	34,384
Net (loss)/gain on financial assets at fair value through profit or loss	(34,761)	49,816
Expenses		
Base management fee	3,096	3,194
Finance costs	1,178	5,684
Employee benefits expense	31	8,247
Depreciation	-	5,868
Amortisation	191	-
Professional services	2,547	725
Consumables	-	5,565
Rental expense	23	1,787
Directors' fees	104	57
Other operating expenses	755	3,191
Total operating expenses	7,925	34,318
(Loss)/Profit before income	(48,760)	49,882
Income tax expense	(1,475)	-
(Loss)/Profit after income tax	(50,235)	49,882
Minority interest	182	-
(Loss)/Profit attributable to equity holders of MIIF after income tax and minority interest	(50,053)	49,882

Unaudited Financial Results

For the quarter ended 31 March 2008

Earnings Per Share

	Group Quarter ended 31 Mar 08	Group Quarter ended 31 Mar 07
Weighted average number of shares on issue used in calculation of basic earnings per share ('000)	1,282,452	1,279,687
Weighted average number of shares on issue used in calculation of diluted earnings per share ('000)	1,282,452	1,279,687
Basic and diluted earnings per share		
(Losses)/earnings from continuing operations attributable to equity holders of the Company (\$'000)	(50,053)	49,882
- Basic (losses)/earnings per share (cps)	(3.90)	3.90
- Diluted (losses)/earnings per share (cps)	(3.90)	3.90

Unaudited Financial Results

For the quarter ended 31 March 2008

Statement of Changes in Equity

Consolidated Statement of Changes in Shareholders' Equity	Quarter ended 31 Mar 08 \$'000	Quarter ended 31 Mar 07 \$'000
Total equity at the beginning of the period	1,681,563	1,374,330
Foreign currency translation reserve recognised directly in equity	(4,145)	104
Minority interest	(200)	-
(Loss)/Profit after tax for the period	(50,053)	49,882
Total recognised (losses)/gains for the period	(54,398)	49,986
Dividends declared / paid	(54,504)	(51,187)
Total equity at the end of the period	1,572,661	1,373,129

Statement of Changes in Shareholders' Equity of MIF	Quarter ended 31 Mar 08 \$'000	Quarter ended 31 Mar 07 \$'000
Total equity at the beginning of the period	1,641,428	1,399,182
(Loss)/Profit after tax for the period	(49,111)	64,825
Total recognised (losses)/ gains for the period	(49,111)	64,825
Dividends payable/paid	(54,504)	(51,187)
Total equity at the end of the period	1,537,813	1,412,820

Changes in Share Capital

There were no changes in share capital for the quarter ended 31 March 2008.

Unaudited Financial Results

For the quarter ended 31 March 2008

Statement of Cash Flows

	Group Quarter ended 31 Mar 08 \$'000	Group Quarter ended 31 Mar 07 \$'000
Cash flows from operating activities		
(Loss)/Profit after tax	(50,053)	49,882
Adjustments for non cash items:		
Amortisation and depreciation	-	6,047
Unrealised foreign exchange gain	(4,145)	(4,089)
Revaluation of financial assets at fair value through profit or loss	61,616	(74,109)
Effect of exchange rate movements on operating assets and liabilities	-	(1,432)
Changes in operating assets and liabilities, net of the effects from acquisitions of controlled entities and business assets:		
Decrease in trade and other receivables	19,037	12,254
Increase in inventory	-	(4)
(Decrease)/increase in trade and other payables	(20,070)	5,225
Decrease in provisions for other liabilities and charges	-	(5,458)
Decrease/ (increase) in other assets	27	(644)
Net cash inflow/(outflow) from operating activities	6,412	(12,328)
Cash flows from investing activities		
Proceeds from sale of investments	154,241	89,760
Purchase of business assets net of cash acquired	(14,559)	-
Purchase of property, plant and equipment	-	(614)
Movement in restricted cash	23,415	-
Net cash inflow from investing activities	163,097	89,146
Cash flows from financing activities		
Proceeds from borrowings	205,037	-
Repayment of borrowings	(356,107)	(62,701)
Dividends paid	-	(51,187)
Net cash (outflow) from financing activities	(151,070)	(113,888)
Net increase/(decrease) in cash and cash equivalents	18,439	(37,070)
Cash and cash equivalents at beginning of period	31,601	59,146
Effects of exchange rate changes on cash and cash equivalents	(20)	(53)
Cash and cash equivalents at end of period	50,020	22,023

Cash Flow Analysis

MIIF's net operating cash inflow from operating activities amounted to \$6.4 million for the quarter ended 31 March 2008. The cash proceeds generated from MIIF's operations, together with the beginning cash balance, will be used to pay dividends declared by MIIF.

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Interested Party Disclosures

(a) Directors

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

	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
Lee Suet Fern	20 December 2007	Not applicable

Directors' remuneration

John Roberts is an executive director of Macquarie Group Limited (MGL), the ultimate parent entity of Macquarie Infrastructure Management (Asia) Pty Limited (the Manager), and is not entitled to any remuneration from MIIF, other than reimbursement of expenses incurred on behalf of MIIF. Heng Chiang Meng, Robert Mulderig, Michael Hamer and Lee Suet Fern are entitled to a total remuneration of US\$50,000 per annum each.

(b) The Manager

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 31 Mar 08 \$'000	Group Quarter ended 31 Mar 07 \$'000	Company Quarter ended 31 Mar 08 \$'000	Company Quarter ended 31 Mar 07 \$'000
Transactions				
Base management fees	3,096	3,194	3,096	3,194

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

	Group As at 31 Mar 08 \$'000	Group As at 31 Mar 07 \$'000	Company As at 31 Mar 08 \$'000	Company As at 31 Mar 07 \$'000
Balances				
Accrued base management fees	3,096	3,202	3,096	3,202

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

For the quarter ended 31 March 2008, the MIIF Accumulation Index¹ was lower than the agreed benchmark annual return of 8% (2.0% for the period). Consequently, no performance fee is payable to the Manager and a performance fee deficit² will be carried forward to the next quarter.

¹ 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.

² 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 \$346 million.

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For the quarter ended 31 March 2008

Interested Party Disclosures (cont'd)

(b) The Manager (cont'd)

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

(c) Macquarie Group (Macquarie)

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

During the quarter, the Group engaged MacCap Adv of MGL to advise on the acquisition of infraVest. The fees relating to these transactions are estimated to be \$2.0 million. The fees relating to infraVest have been approved by the independent members of the MIIF Board, and confirmed by an independent firm to be consistent with the level of fees that would be charged for a similar transaction on normal commercial terms and conditions. Upon satisfaction of the terms of the mandate with MacCap Adv, the fees will be paid.

During the quarter, MIIF exercised its proportionate pre-emptive rights in relation to a 1.91% interest in Macquarie UK Broadcast Holdings Limited (Arqiva) offered for sale by an Arqiva shareholder not related to the Macquarie Group. As the retention of this additional interest in Arqiva at the proposed price had minimal strategic value and was not in line with MIIF's stated investment strategy to increase its investment base in Asia, on 19 March 2008 MIIF entered into an agreement to on-sell such interest to Macquarie European Infrastructure Fund II, a fund managed by a subsidiary of MGL, for \$14.4 million, being the purchase price plus costs incurred by MIIF.

MIIF utilises the services provided by MGL's foreign exchange department from time to time to enter into foreign exchange forward contracts based on arms length competitive market rates. The listing of foreign currency transactions entered into for the current quarter and the relevant related party charges incurred were provided to the independent members of the MIIF Board for review.

Unaudited Financial Results

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Events Subsequent to Balance Sheet Date

Issue price of new shares under the Scrip Dividend Scheme

On 4 April 2008, MIIF announced the application of the MIIF Scrip Dividend Scheme (the SDS) to the dividend of 4.25 Singapore cents per ordinary share for the six months ended 31 December 2007 (Final Dividend). The fully-paid new ordinary shares in the capital of MIIF (the New Shares) will be issued under the SDS at an issue price of \$0.79 per New Share.

The issue price was determined by the directors of MIIF in accordance with the terms and conditions of the SDS. A 5% discount was applied to the arithmetic average of the daily volume-weighted average price of a MIIF share on the SGX-ST, during the period of 15 market days immediately following the books closure date on 13 March 2008.

Shareholders who elect to participate in the SDS will receive New Shares at this issue price in lieu of the Final Dividend.

The Final Dividend was paid on 5 May 2008. No dividends have been declared in respect of the quarter ending 31 March 2008 (31 March 2007: Nil).

Additional Information

Audit and Review of financial statements

The financial statements for the quarter ended 31 March 2008 have not been audited or reviewed by the Group's auditor, PricewaterhouseCoopers.

Basis of preparation

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current period as that of preceding accounting periods. Hence there are no substantial changes to the Group's accounting policies.

The financial statements are consistent with those set out in the 2007 audited accounts which have been prepared in accordance with IFRS. There have been no changes to the accounting policies described in the 2007 audited accounts except for the adoption of certain revised Financial Reporting Standards (FRS) and Interpretations to FRS (INT FRS) that became mandatory from 1 January 2008. The adoption of the amendment, new standard and interpretations did not have a material impact on the results of the Group.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Goodwill

Goodwill represents the excess of the cost of an acquisition of subsidiaries over the fair value at the end of the acquisition of the Group's share of their identifiable net assets.

Goodwill of \$8.1 million has been recognised on consolidation of the acquired and assumed assets and liabilities of infraVest. The goodwill represents the excess of the amount paid by MIIF for infraVest over the fair value of the net identifiable assets of infraVest 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 assumed. In accordance with the International Financial Reporting Standard, IFRS 3: Business Combinations, difference between the final assessed values of these assets and liabilities compared to the assets and liabilities of infraVest that have been consolidated and included in this report, 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 infraVest.

Unaudited Financial Results

For the quarter ended 31 March 2008

Additional Information (cont'd)

Functional and presentation currency

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

Rounding of amounts in the financial statements

Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

Effects from timing of distributions

MIIF's revenue is driven by the frequency of distributions from its underlying investments. The frequency of distributions ranges from monthly, semi-annually and annually depending on the underlying asset.

Unaudited Financial Results

For the quarter ended 31 March 2008

Macquarie International Infrastructure Fund Limited

Management Review: Financial statements for the quarter ended 31 March 2008

Unaudited Financial Results

For the quarter ended 31 March 2008

Financial Highlights

Comparison for the quarter ended 31 March 2008 with the prior corresponding period

First Quarter				Key Results	Key Variances
Movement from prior corresponding period	Qtr Ended March 2008 \$'000	Qtr Ended March 2007 \$'000	Change (%)		
↓	-	518	N/A	Revenue Distribution income	Divestment of MIC on 2 July 2007 resulted in the fall of distribution income to nil as MIC was the only listed investment which declared dividends in the prior corresponding period.
↑	14,344	9,086	57.9	Investment income	Increase in investment income from prior corresponding period was due to recurring income received from CAC as well as investment income received from TBC.
↓	(2,471)	-	N/A	Loss on disposal of investment	Although the sale of MAp resulted in a loss of \$2.4 million, the investment has generated an IRR of 7.0% arising from past distributions received.
↓	97	555	(82.5)	Interest income	Reduction in interest income was due to lower average cash balances held in the quarter ended 31 March 2008 as compared to the prior corresponding period.
↑	2,576	191	> 100.0	Net foreign exchange gain	The gain arises from the conversion of foreign currency denominated non-investment balances in MIIF during the quarter.
↑	14,546	10,350	40.5	Total investment revenue	
↓	3,096	3,194	(3.1)	Expenses Management fees	Management fees are at similar levels compared to the prior corresponding period although net investment value has decreased. This is due to a reduction in fee rebates on management fees as compared to the prior corresponding period arising from a reduction in investments in other Macquarie managed funds.
↑	1,060	647	63.8	Finance costs	Finance costs were higher than the prior corresponding period as the average level of borrowings is higher in the current quarter. However, following the sale of MAp on 14 March 2008, \$150 million was used to repay the borrowings of MIIF. Therefore, the level of borrowings has been reduced to \$27.5 million at quarter end.
↓	1,116	1,814	(38.5)	Other operating expenses	The reduction is due to lower bank charges and commitment fees as the level of committed bank facilities available but unutilised has reduced in the current quarter.
↓	5,344	5,712	(6.4)	Total operating expenses	
↑	9,202	4,638	98.4	Net income on an adjusted basis⁽¹⁾	

1) Net income on an adjusted basis represents the earnings of MIIF that underpins the payment of dividends to MIIF shareholders, and as such it is the measure that the Board of Directors of MIIF focuses 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.

Note: The information above represents results for the period under review and has been extracted for ease of reference. These results should be analysed on a stand-alone basis. 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 31 March 2008

Review of Revenue and Expenses for the quarter ended 31 March 2008

Review of revenue

Distribution and investment income for the quarter to 31 March 2008 was \$14.3 million, compared to \$9.6 million in the prior corresponding period. The increase is due to distributions received from CAC and TBC for the quarter ended 31 March 2008.

The table below provides a detailed breakdown of the distribution and investment income recognised by MIIF during the following reporting periods:

Investment	Quarter ended 31 Mar 08 \$'000	Quarter ended 31 Mar 07 \$'000
Distribution income		
MIC	-	518
Total distribution income	-	518
Investment income		
CAC	4,147	1,385
TanQuid	-	7,701
TBC	10,197	-
Total investment income	14,344	9,086
Total distribution and investment income	14,344	9,604

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 legal requirements and prudent reserves. We expect MIIF's direct investments to continue to grow over time, with increased distributions to the underlying investors, including MIIF.

Distribution income represents distributions that MIIF receives from its listed investments. On 14 March 2008, MIIF disposed of its entire interest in Macquarie Airports (MAp). This was achieved by unwinding its Total Return Swap (TRS) arrangements with a subsidiary of Macquarie Group Limited in respect of its holding of 35,470,000 securities in MAp. The divestment of MIIF's investment in MAp is consistent with MIIF's efforts to rebalance the portfolio towards investment in the Asian region. Arising from the full divestment of MIIF's listed investments, there was no distribution income received in the current quarter.

Investment income represents the dividends that MIIF receives from its unlisted investments. As at 31 March 2008, MIIF has interests in Arqiva, CAC, CXP, HNE, MEIF, TBC and infraVest. Total distribution and investment income of \$14.3 million for the quarter ended 31 March 2008 was 49.4% higher than prior corresponding period. The increase in investment income from TBC and CAC was higher than the investment income received in the previous quarter from Tanquid and CAC. Tanquid was sold by MIIF in the last quarter of 2007.

Unaudited Financial Results

For the quarter ended 31 March 2008

Review of revenue (cont'd)

In the consolidated income statement on page 8, distribution and investment income are shown as part of "Net gain on financial assets at fair value through profit or loss" as per MIIF's accounting policies and International Financial Reporting Standards (IFRS).

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

Investment Portfolio	Frequency per annum	Distribution declaration date
Arqiva	2	June, December
CAC	12	Monthly
CXP	1	December
HNE	1	December
MEIF	2	March, September
TBC	2	June, December
infraVest	1	December

Other income (presented in the income statement disclosed on page 4)

- Interest income

Interest income of \$0.1 million for the quarter ended 31 March 2008 arose from interest earned on cash deposits held in bank accounts. The interest payable on these various accounts ranges from 0.4% to 1.2% per annum.

- Net foreign exchange (loss)/gain

Several of MIIF's non-investment balances are denominated in a currency other than SGD. These balances include cash-on-hand, expenses payable and distribution and investment income receivable. As foreign exchange (FX) rates move, the value of these balances change accordingly. MIIF manages the FX exposure arising from the distribution and investment income that MIIF receives by entering into foreign currency forward contracts to convert the foreign currency into SGD.

Review of expenses (presented in the income statement disclosed on page 4)

	Quarter ended 31 Mar 08 \$'000	Quarter ended 31 Mar 07 \$'000
Expenses		
Management fees	3,096	3,194
Directors' fees	72	57
Finance costs	1,060	647
Other operating expenses	1,116	1,814
Total operating expenses	5,344	5,712

Total operating expenses of \$5.3 million for the quarter ended 31 March 2008 were 6.4% lower than the prior corresponding period. The decrease is due to lower other operating costs. An analysis of these and other MIIF expense items are as follows:

- Management fees

Management fees are at similar levels compared to the prior corresponding period although net investment value has decreased. This is due to a reduction in fee rebates on management fees as compared to the prior corresponding period arising from a reduction in investments in other Macquarie managed funds.

Management fees for the current quarter have been adjusted by \$122,658.09 to rectify an overpayment of management fees for the quarter ended 31 December 2007. This final adjustment includes the amount of \$15,308.59 previously announced on 8 April 2008.

Unaudited Financial Results

For the quarter ended 31 March 2008

Review of expenses (cont'd)

The overpayment arose from an error in the calculation of MIIF's average market capitalisation over the 15 SGX-ST trading days for the quarter ended 31 December 2007. The calculation was supplied by a third party provider and forms an element of the calculation of the base fee payable to the Manager.

The miscalculation, which was discovered as a result of routine analysis of MIIF's accounts, has been acknowledged by the third party provider. This miscalculation impacted the management fee calculation for the quarter ended 31 December 2007 only, and there is no impact on the calculation of management fees in any other period.

The resolution of this matter is not expected to have any material impact on MIIF's business or future dividends.

- **Directors' fees**

The MIIF Board of Directors comprises five members, of which four are independent of the Macquarie Group. Each independent director is entitled to receive an annual director's fee of US\$50,000. The remaining MIIF Board member who is an executive of the Macquarie Group, is not entitled to be paid a director's fee. The total aggregated fee has increased from the prior corresponding period due to the appointment of an additional independent director, which took effect in December 2007.

- **Finance costs**

Finance costs of \$1.1 million for the quarter ended 31 March 2008 were marginally higher than prior corresponding period. Finance costs relate to interest expenses incurred by MIIF on the outstanding balances of its borrowing facilities. Finance costs were higher in the current period due to the higher level of borrowings in the first 2 months of 2008, where MIIF had short term borrowings of approximately \$178.2 million. Following the sale of MAP on 14 March 2008 and the application of the sale proceeds to reduce MIIF's borrowings, MIIF's outstanding balance on its borrowing facilities was approximately \$27.5 million as at 31 March 2008.

- **Other operating expenses**

Other operating expenses of \$1.1 million for the quarter ended 31 March 2008 were lower than prior corresponding period. The reduction in operating expenses was due to lower bank charges and commitment fees as the level of borrowings was reduced during the quarter. The prior corresponding period expense also included a one off bank facility extension fee of approximately \$0.6 million. Other expense items that are reflected in this category relate to MIIF's normal day-to-day operations. These items include fees paid for share registrar services, SGX-ST listing and administration services, general legal services and audit services.

Loss on disposal of investments (presented in the income statement disclosed on page 4)

MIIF, in pursuit of its strategy to focus on Asian infrastructure, has continued its divestment of non Asian investments in the current quarter. Following the disposal of MAP on 14 March 2008, and the financial close of infraVest on 20 March 2008, MIIF has a 38.2% investment exposure to Asia as at the end of the quarter. Although the sale of MAP resulted in a loss of \$2.4 million, the investment has generated an equity internal rate of return of 7.0% per annum over the investment period arising from past distribution income received.

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

The net loss on the movement in the fair value of MIIF's financial assets of \$56.3 million for the quarter ended 31 March 2008 does not represent actual cash outflows, but is recognised in the Income Statement because it is required under MIIF's accounting policies and applicable International Financial Reporting Standards.

Overall, management is of the view that through its active management of the existing and new assets acquired in 2007, further value will be released by some of MIIF's assets which will generate cash flow growth for MIIF over time.

The net loss on financial assets at fair value as shown in the Income Statement on page 4 differs from the net loss on financial assets at fair value as shown on page 8 of this report as distributions are accounted for in the Fair Value Gain/Loss on Investments category under International Financial Reporting Standards. Distributions have been accounted for as revenue under the net income on an adjusted basis on page 4.

Unaudited Financial Results

For the quarter ended 31 March 2008

Review of Net Assets and Balance Sheet as at 31 March 2008

Net Asset Value

	Group As at 31 Mar 08	Group As at 31 Dec 07	Company As at 31 Mar 08	Company As at 31 Dec 07
Net Asset Value				
Total net asset value (\$'000)	1,572,661	1,681,563	1,537,813	1,641,428
Total number of ordinary shares on issue used in calculation of net asset value per share ('000)	1,282,452	1,282,452	1,282,452	1,282,452
Net asset value per ordinary share (\$ per share)	1.23	1.31	1.20	1.28

MIIF's stand-alone net assets reduced from \$1,641.4 million as at 31 December 2007 to \$1,537.8 million as at 31 March 2008. This was due to the reduction in non-current assets held at fair value mainly arising from the sale of MAp and dividends paid for the period. This represents a Net Asset Value (NAV) of \$1.20 per share as at 31 March 2008 compared to \$1.28 per share as at 31 December 2007.

Group net assets decreased from \$1,681.6 million as at 31 December 2007 to \$1,572.6 million as at 31 March 2008.

Review of Balance Sheet (as presented in the balance sheet disclosed on page 7)

Trade and other receivables

Stand-alone current trade and other receivables decreased from \$20.5 million as at 31 December 2007 to \$3.2 million as at 31 March 2008. As at 31 December 2007, the balance relates to dividends receivable from Arqiva and MAp of \$18.7 million, and receivables arising from payments made on behalf of MIIF's special purpose vehicles, amounting to \$1.8 million. The dividends from Arqiva and MAp were received in the quarter to 31 March 2008, resulting in a reduction in the level of trade and other receivables.

Group current trade and other receivables decreased from \$18.8 million as at 31 December 2007 to \$0.8 million in 31 March 2008 primarily due to changes in company level balances as explained above. Group non-current trade and other receivables have increased to \$0.5 million as at 31 March 2008 due to the consolidation of infraVest's non-current trade and receivables. On consolidation, the Group figure is lower compared to the stand-alone company because of elimination of Group inter-company balances.

Current financial assets held at their fair value

Stand-alone current financial assets held at their fair value reflect 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 in advance.

Intangible assets

The movement from 31 December 2007 is due to the acquisition and consolidation of infraVest in the quarter ended 31 March 2008. These assets relate to the wind farms of infraVest which were recognised as intangible assets under International Financial Reporting Interpretations Committee, IFRIC 12: Service Concession Arrangements. Relevant amortisation for the period from 20 to 31 March 2008 has been recognised in the income statement.

Non-current financial assets held at their fair value

Stand-alone non-current financial assets held at their fair value decreased from \$1,779.9 million as at 31 December 2007 to \$1,592.2 million at 31 March 2008. This balance reflects the Directors' valuation of the fair value of MIIF's investments as at 31 March 2008.

The decrease in valuation of existing assets was substantially due to the sale of MAp and dividends paid by MIIF to its shareholders, which resulted in a reduction in valuation of approximately \$181.1 million as compared to 31 December 2007.

Unaudited Financial Results

For the quarter ended 31 March 2008

Review of Balance Sheet (cont'd)

The following table sets out a reconciliation of the value of MIIF's investments from 31 December 2007 to 31 March 2008.

	Company Balance at 31 Dec 07	Additional investment / (divestment)	Distribution received from investments	Foreign exchange effects	Revaluation to 31 Mar 08	Company Balance at 31 Mar 08
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Listed securities						
MAP	181,136	(152,890)	-	2,209	(30,455)	-
	181,136	(152,890)	-	2,209	(30,455)	-
Unlisted securities						
Arqiva	516,945	-	-	(21,766)	(20,726)	474,453
CAC	148,218	-	(4,147)	(10,788)	9,844	143,127
CXP	114,430	-	-	-	6,954	121,384
HNE	298,047	-	-	69	(13,802)	284,314
MEIF	353,572	-	-	12,779	726	367,077
TBC	167,512	-	(10,197)	3,745	13,678	174,738
infraVest	-	24,752	-	-	2,380	27,132
Others	57	-	-	-	-	57
	1,598,781	24,752	(14,344)	(15,961)	(946)	1,592,282
Total investments	1,779,917	(128,138)	(14,344)	(13,752)	(31,401)	1,592,282

MIIF fair values all of its investments in its stand-alone accounts. 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 decreased from \$1,813.4 million as at 31 December 2007 to \$1,597.0 million as at 31 March 2008. This balance reflects the fair value of all of MIIF's investments after consolidation.

Trade and other payables

Stand-alone trade and other payables decreased from \$37.1 million as at 31 December 2007 to \$20.9 million as at 31 March 2008. This amount predominantly comprises \$3.1 million of management fees payable to the Manager and \$15.0 million payable to Macquarie International China Holdings in relation to MIIF's investment in HNE.

Group trade and other payables relate to trade and other creditors payable by the stand-alone company as explained above. The decrease is due to elimination of inter-company balances upon consolidation.

Borrowings

Stand-alone company borrowings decreased from \$178.2 million as at 31 December 2007 to \$27.5 million as at 31 March 2008. This reduction was due to the repayment of MIIF's outstanding borrowings from the proceeds received from the sale of MAP.

Group short term borrowings have reduced from \$178.2 million as at 31 December 2007 to \$34.4 million as at 31 March 2008 due to a reduction in the company level borrowings of MIIF as explained above and the consolidation of infraVest's short term borrowings. Group long term borrowings have increased to \$78.6 million as at 31 March 2008 due the consolidation of infraVest's long term borrowings. Equipment, building, cash and shares of infraVest are pledged with the bank as collateral for the borrowings of \$85.4 million.

Unaudited Financial Results

For the quarter ended 31 March 2008

Review of Balance Sheet (cont'd)

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

	Group as at 31 Mar 08 \$'000	Group as at 31 Dec 07 \$'000	Company as at 31 Mar 08 \$'000	Company as at 31 Dec 07 \$'000
Amount repayable in one year or less, or on demand	34,379	178,224	27,525	178,224
Amount repayable after one year	78,583	-	-	-
Total borrowings	112,962	178,224	27,525	178,224
Amount secured	85,437	-	-	-
Amount unsecured	27,525	178,224	27,525	178,224
Total borrowings	112,962	178,224	27,525	178,224

Non-current financial liabilities held at their fair value

Stand-alone non-current financial liabilities held at their fair value reflect the fair value of long term foreign currency forward contracts that MIIF has entered into to hedge the forecast distributions that it expects to receive from its investments.

The Group balance of non-current financial liabilities held at their fair value as at 31 March 2008 represents that of the stand alone company as well as the fair value of financial liabilities of infraVest, MIIF's 100% owned subsidiary.

Enterprise Value (EV)

Company-level EV is calculated by aggregating:

- MIIF's share of its operating assets' net debt, based on MIIF's proportionate beneficial interest at 31 March 2008;
- Net debt outstanding at MIIF level at 31 March 2008; and
- MIIF Assets' Equity Attributable to MIIF Shareholders as at 31 March 2008.

	As at 31 Mar 08 \$'000	As at 31 Dec 07 \$'000
Operating assets net debt	2,296,678	2,360,942
MIIF net debt	(15,632)	123,293
MIIF Assets' Equity Attributable to MIIF Shareholders	1,592,225	1,848,386
EV	3,873,271	4,332,621
Total operating asset net debt as a percentage of EV	59%	55%
Total net debt as a percentage of EV	59%	57%

Net debt is reported at both the asset level and MIIF level. Operating assets' net debt is calculated at each of the relevant operating assets by subtracting total cash-on-hand from total debt at the end of the period.

The fair values of assets have been determined in accordance with a valuation framework adopted by the directors of MIIF. Discounted cash flow analysis is the methodology applied to the valuation framework in respect of all unlisted assets. Assets' equity value attributable to MIIF security holders is calculated by aggregating MIIF's interest in the fair values of the assets less corporate net debt.

MIIF's total gearing as a percentage of EV is 59% as at 31 March 2008. Total gearing is calculated by dividing the sum of operating assets net debt and MIIF net debt by EV.

Unaudited Financial Results

For the quarter ended 31 March 2008

Macquarie International Infrastructure Fund Limited

Management review: Infrastructure Assets as at 31 March 2008

Unaudited Financial Results

For the quarter ended 31 March 2008

Commentary on 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 at 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 Bank³ 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 will 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.

³<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/EXTEAPINFRASTRUCTURE/0,,contentMDK:20700727~pagePK:64168445> Asian Development Bank

Unaudited Financial Results

For the quarter ended 31 March 2008

Investment Portfolio Analysis

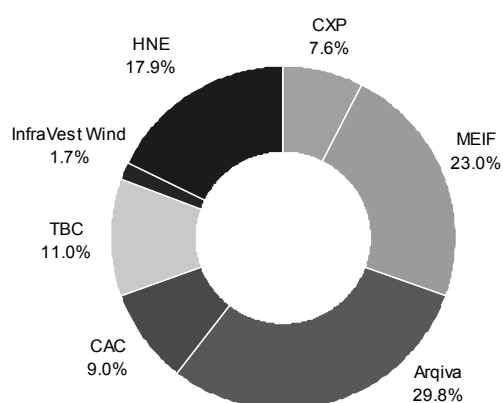
MIIF is a leading Asia-based private owner and operator of infrastructure assets with significant investments in communications infrastructure, broadcast infrastructure, renewable energy, transport infrastructure assets and aged care infrastructure assets, among others.

As at 31 March 2008, MIIF's portfolio comprises the following investments:

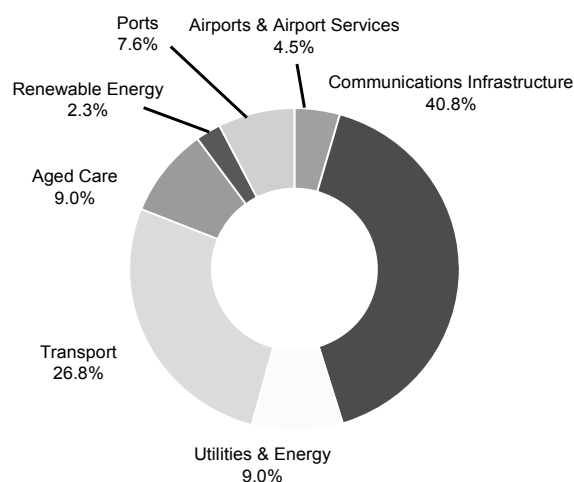
Investment Portfolio	Percentage Ownership (%)	Percentage of Portfolio by Value (%)
Direct Investments		
Arqiva	8.7	29.8
Canadian Aged Care (CAC)	55.0	9.0
Changshu Xinghua Port (CXP)	38.0	7.6
Hua Nan Expressway (HNE)	81.0	17.9
infraVest Wind Power Co., Ltd (infraVest)	100.0	1.7
Taiwan Broadband Communication (TBC)	20.0	11.0
Macquarie European Infrastructure Fund (MEIF)	6.3	23.0

The following diagrams show the contributions that the various investments make to MIIF's overall portfolio based on the 31 March 2008 fair valuation of each asset:

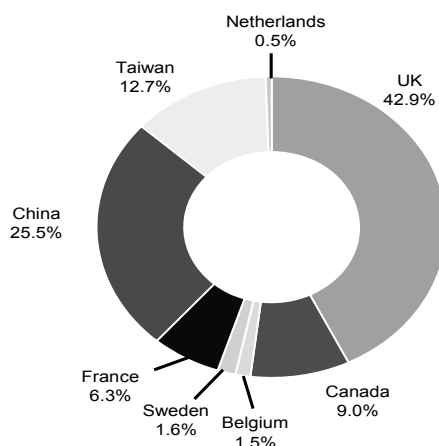
Portfolio Composition by Value⁴



Portfolio Composition by Industry⁴



Portfolio Composition by Country⁴



⁴ Based on 31 March 2008 valuations, numbers are subject to rounding

Unaudited Financial Results

For the quarter ended 31 March 2008

Arqiva and National Grid Wireless (NGW)

Date of acquisition	Initial – 27 May 2005 Rights Issue – 4 April 2007	Arqiva is an infrastructure based provider of terrestrial and satellite broadcasting transmission, wireless communications and services to public safety organisations in the United Kingdom (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 communication companies, and radio services to police, fire and ambulance services. Arqiva owns and operates approximately 550 towers for radio and television broadcasts, 1,350 active sites for mobile communications, and has marketing rights to more than 1,400 further mobile communications sites.
Cost of acquisition	Initial – S\$175.7 million Rights Issue – S\$259.1 million	
Valuation ⁴	S\$474.5 million	
MIF ownership	8.7% interest	
% of MIF portfolio	29.8%	

NGW is an infrastructure based provider of services to broadcasters, mobile network operators, and owns and operates two of the six TV multiplexes – each a group of digital TV channels in the UK. NGW owns and operates approximately 750 towers for radio and television transmission broadcasts and approximately 5,500 active sites for mobile communications.

Acquisition update

The UK Competition Commission (Commission) allowed the merger of Arqiva and NGW, subject to behavioural undertakings. The proposed undertakings by Arqiva will benefit broadcast customers of the merged entity by ensuring ongoing high levels of customer service, as well as price reductions. An independent adjudicator funded by Arqiva and appointed by the Office of Communications (Ofcom) will resolve any disputes with customers that may arise from time to time, and oversee the Digital Switchover (DSO) process.

The Hold Separate Obligation between the two companies will remain in place until the set of behavioural undertakings is finally approved by the Commission.

Key operational statistics⁵ can be found in the tables below.

Arqiva only			
(S\$million)	12 months to Dec 2007	12 months to Dec 2006	Variance
Revenue ⁶	1,206.2	936.4	28.8%
Operating Expenses ⁶	835.2 ⁷	586.2	42.5%
EBITDA ⁶	371.0	350.1	6.0%
EBITDA Margin	30.8%	37.4%	

Revenue breakdown for Arqiva only

(S\$million)	12 months to Dec 2007	12 months to Dec 2006	Variance
Satellite Media ⁶	516.5	237.5	>100%
Terrestrial Media ⁶	389.6	381.9	2.0%
Wireless solutions ⁶	146.1	136.9	6.7%
Public safety ⁶	154.1	180.1	(14.4%)

NGW only⁸

(S\$million)	6 months to Dec 2007	6 months to Dec 2006 ⁹	Variance
Revenue ⁶	474.2	439.0	8.0%
Operating Expenses ⁶	238.4	239.2	(0.4%)
EBITDA ⁶	235.8	199.8	18.0%
EBITDA Margin	49.7%	45.5%	

⁵ Figures shown are results published for the year ended 31 December 2007

⁶ Converted at the 31 December 2007 exchange rate of £1:S\$2.8583. Source: Bloomberg. Numbers are subject to rounding

⁷ Excludes £4.4m one-off costs associated with NGW and UK Competition Commission inquiry

⁸ Limited information is available due to Hold Separate undertakings

⁹ Stated on a proforma basis

Unaudited Financial Results

For the quarter ended 31 March 2008

Digital Switchover process (DSO)

DSO is a substantial engineering project in the broadcasting industry in the UK, and is due to be completed by 2012. Arqiva has been working with the UK Government and Digital UK to replace the existing analogue and low power digital transmitter system with high power digital transmitters at 1,154 sites. Post DSO, 98.5% of the population in the UK will be able to receive digital television. Arqiva successfully performed the first switchover from analogue to digital broadcasting in October 2007, in the Whitehaven region, and is now looking at carrying out the next switchover phase in Selkirk, in November 2008.

The merger of Arqiva and NGW will ensure the success of the DSO project through improved efficiency and streamlined workflows of both engineering and construction. The improved efficiency of the DSO program is expected to bring significant cost synergy and capital expenditure saving, which will be shared with the various broadcasting customers.

Key Highlights for the period

- On 22 February 2008, Arqiva acquired two lots of the national spectrum in the 28 GHz frequency band, in the fourth radio spectrum auction by Ofcom.
- On 11 March 2008, the Commission released its Final Report, which conditionally approved the Arqiva and NGW merger subject to finalisation of behavioural undertakings.

Outlook

- The two key areas of focus for Arqiva are execution of DSO and finalising the behavioural undertakings required by the Commission. Arqiva has also independently developed a detailed integration plan for NGW that will be finalised with NGW management once the undertakings are signed and the Hold Separate Obligation is lifted. Successful integration with NGW will be critical to realising the expected synergies.

Canadian Aged Care (CAC)

Date of initial acquisition	24 Nov 2005
Cost of acquisition	S\$164.9 million
Valuation ⁴	S\$143.1 million
MIF ownership	55% economic interest
% of MIF portfolio	9.0%

CAC is a portfolio of long-term care facilities (LTC) in Ontario, Canada. Operating since 1975, CAC provides 4,396 beds across 26 LTC facilities, one retirement home and one independent living facility.

CAC is currently the third largest operator of LTC homes in Ontario. LTC homes are a vital part of a community's social infrastructure and share features that characterise other high-quality infrastructure assets, including relatively stable revenue, significant barriers to entry and low demand variability.

Key operational statistics can be found in the tables below.

Average occupancy (%)	Jan-Mar 2008	Jan-Mar 2007	Variance
LTC Private Occupancy	91.9%	87.8%	4.1%
LTC Total Occupancy	98.1%	97.5%	0.6%

(\$'million)	Jan-Mar 2008	Jan-Mar 2007	Variance
Revenue ¹⁰	74.9	58.9	27.2%
Operating Expenses ¹⁰	66.5	51.2	29.9%
EBITDA ¹⁰	8.4	7.7	9.1%
EBITDA Margin	11.2%	13.1%	

Key Highlights for the period

- On 31 January 2008, CAC completed the acquisition of seven LTC homes consisting 1,127 beds from a wholly owned subsidiary of Counsel Corporation. This recent acquisition strongly contributed to the overall growth of the business, whereby revenue and EBITDA grew by 27.2% and 9.1% respectively.
- For the quarter ended March 2008, expenses were 29.9% higher compared to prior corresponding period due to operating and transition costs associated with the newly-acquired homes.
- On 1 February 2008, CAC signed an agreement to acquire the Good Samaritan Seniors Complex which consists of a 64-bed Class A LTC home and an attached 24-bed retirement home located in Alliston, Ontario, for approximately C\$11.1 million plus transaction costs. The acquisition is conditional upon regulatory approval from the MOHLTC. Upon completion of the transaction, CAC will own or manage 27 LTC homes, representing 4,378 beds, two retirement homes, representing 53 beds, and one independent living facility with 53 beds.

¹⁰ Converted at the 31 March 2008 exchange rate of S\$:C\$0.7455. Source: Bloomberg. Numbers are subject to rounding

Unaudited Financial Results

For the quarter ended 31 March 2008

Outlook

- Initiatives to optimise the preferred accommodation mix and also to lift occupancy, particularly in the newly acquired homes, are being pursued by CAC as it is eligible for full funding from the MOHLTC when CAC's homes achieve a level of 97% annual average occupancy.
- CAC will continue to seek growth opportunities, primarily complementary acquisitions of existing LTC homes in the fragmented Ontario marketplace.

Changshu Xinghua Port (CXP)

Date of initial acquisition	2 Dec 2005
Cost of acquisition	S\$112.3 million
Valuation ⁴	S\$121.4 million
MIF ownership	38% interest
% of MIF portfolio	7.6%

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.

Key operational statistics can be found in the table below.

Volume	Jan-Mar 2008	Jan-Mar 2007	Variance
Container Total (TEU ¹¹)	21,919	27,514	(20.3%)
Conventional Cargo (tons)	1,289,993	1,257,627	2.6%

(S\$million)	Jan-Mar 2008	Jan-Mar 2007	Variance
Revenue ¹²	9.8	9.7	1.0%
Operating Expenses ¹²	4.2	4.3	(2.3%)
EBITDA ¹²	5.6	5.4	3.7%
EBITDA Margin ¹²	57.1%	55.7%	

Key Highlights for the period

- For the quarter ended March 2008, conventional cargo volumes were up by 2.6% on prior corresponding period primarily due to solid growth in forestry products, driven by strong demand for wood pulp, which supports the paper making industry in the region, and exports of paper reels.
- In the quarter under review, CXP handled new products such as woodchips and plasterboard, reflecting CXP's ongoing efforts to diversify its cargo mix.

Outlook

- CXP is pursuing a strategy to attract cargo owners, ship operators, and regional specialist mills. In addition, CXP will continue to actively pursue initiatives to increase productivity, cost control and service quality.
- CXP remains as the leading forestry port in the region due to its successful partnership with the Belgian forestry specialist, Westerlund, and its ability to expand warehouse capacity to accommodate growth.

¹¹ Twenty-foot equivalent unit

¹² Converted at the 31 March 2008 exchange rate of S\$1:RMB5.097. Source: Bloomberg. Numbers are subject to rounding

Unaudited Financial Results

For the quarter ended 31 March 2008

Hua Nan Expressway (HNE)

Date of initial acquisition	19 Nov 2007
Cost of acquisition ¹³	S\$295.7 million
Valuation ⁴	S\$284.3 million
MIIF ownership	81% interest
% of MIIF portfolio	17.9%

HNE is a 31 kilometre dual-carriage urban toll road in the city of Guangzhou, the capital of Guangdong province in China. It is the main artery for north-south traffic in Guangzhou, enabling easy access to south China. A crucial urban infrastructure in one of the China's fastest growing economic regions; is intersected by 8 expressways ensuring excellent connectivity.

Key operational statistics can be found in the tables below.

Average volume of vehicles types ('000)	Jan – Mar 2008	Jan – Mar 2007	Variance
Passenger vehicles	7,177.3	6,444.0	11.4%
Minibus / Light Truck	641.2	761.7	(15.8%)
Medium Bus / Truck	1,611.0	1,805.0	(10.7%)
Large Bus / Large Truck	137.1	121.8	12.6%
Heavy Duty Truck / Trailer	307.0	341.5	(10.1%)

(S\$million)	Jan – Mar 2008	Jan – Mar 2007	Variance
Revenue ¹²	21.4	21.0	1.9%
Operating Expenses ¹²	3.8	2.8	35.7%
EBITDA ¹²	17.6	18.2	(3.3%)
EBITDA Margin ¹²	82.2%	86.7%	

Key Highlights for the period

- Toll revenue for the quarter under review was RMB109.3 million (S\$21.4 million¹²) compared with RMB107.2million (S\$21.0 million¹²) in the prior corresponding period. Strong performance in March offset low revenues in January and February when traffic was adversely impacted by the uncharacteristically cold weather north of Guangzhou.
- The increased operating expenses reflect classification changes made to payroll costs.
- China Construction Bank has signed up to provide a single debt facility that will replace existing facilities.

Outlook

- Following local government approval, Phase III¹⁴ construction restarted on 14 April 2008. Opening is expected Q1 2009, and this is expected to significantly boost traffic volume on HNE.
- Management is in the advanced stages of negotiations with advertising firms for the lease of space on HNE's toll booths for advertising.
- The Guangzhou government has plans to acquire and de-toll the Northern Ring Road (NRR). If de-tolling occurs, there would be limited impact on HNE as the NRR is not a direct competitor.
- Major exhibitions held at the Bazhou Exhibition Centre in April are expected to boost traffic.
- HNE's first distribution is expected in the March Quarter 2009.

infraVest Wind

Date of initial acquisition	20 March 2008
Cost of acquisition	S\$27.9 million
Valuation ⁴	S\$27.1 million
MIIF ownership	100% economic interest
% of MIIF portfolio	1.7%

infraVest Wind owns and operates 25 wind turbines, with a combined capacity of 49.8MW, at two sites in Miaoli County, Taiwan. All power generated is sold to Taiwan Power Company, the major state owned power utility, under a long term power purchase agreement. The tariff under this agreement is currently fixed.

infraVest benefits from strong government support for renewable energy in Taiwan and the long term power purchase arrangement with Taiwan Power Company underpins the stable cash flows expected to be derived from this investment.

Financial close of the acquisition of infraVest by MIIF was successfully achieved on 20 March 2008.

¹³ Originally announced acquisition price of S\$329.5m included S\$295.7m invested at acquisition, and S\$33.8m of Acquisition Adjustments contingent upon certain events and as yet unpaid

¹⁴ MIIF has an option to acquire Phase III

Unaudited Financial Results

For the quarter ended 31 March 2008

Taiwan Broadband Communications (TBC)

Date of initial acquisition	16 July 2007
Cost of acquisition ¹⁵	S\$161.8 million
Valuation ⁴	S\$174.7 million
MIIF ownership	20% interest
% of MIIF portfolio	11.0%

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 television networks located in northern and central Taiwan.

TBC's core business is the provision of cable television services. TBC is the sole licensee and provider of cable television services in its five operating regions. It also offers value-added services such as broadband internet access and cable telephony services, as well as premium digital television programming.

TBC is a key provider of integrated entertainment and communications services to the more than one million homes reached by its cable network.

Key operational statistics¹⁶ can be found in the following tables.

Ending Subscribers	12 months to Dec 2007	12 months to Dec 2006	Variance
Basic CATV	688,860	664,785	3.6%
Premium Digital TV	19,373	16,009	21.0%
Penetration rate ¹⁷	2.8%	2.4%	
Broadband	111,177	92,723	19.9%
Penetration rate ¹⁷	16.1%	13.9%	

(\$'million)	12 months to Dec 2007	12 months to Dec 2006	Variance
Revenue ¹⁸	273.4	265.1	3.1%
Operating Expenses ¹⁸	110.3	110.8	(0.5%)
EBITDA ¹⁸	163.1	154.3	5.7%
EBITDA Margin	59.6%	58.2%	

Average Revenue per User (ARPU) per Basic sub (\$) ¹⁹	12 months to Dec 2007	12 months to Dec 2006	Variance
Basic ¹⁸	29.6	29.7	(0.4%)
Tiering ¹⁸	8.1	7.9	2.7%
Broadband ¹⁸	26.4	25.7	2.6%

Key Highlights for the period

- TBC continued to focus on strategies to expand its broadband internet and premium digital television service.
 - In early 2008, TBC commenced offering a market-leading 16 Mbps broadband internet service.
 - In premium digital television, TBC continued with initiatives to develop an enhanced package of digital channels.
- TBC focused on several initiatives to position the business for growth in value added services by:
 - Extending network coverage to reach new growth areas.
 - Increased sales penetration efforts in new homes.
 - New offerings to customers coming out of contract to retain customer loyalty.
 - Selling broadband services to CATV customers through product bundling.
 - Recruiting and training sales and marketing staff.

¹⁵ Post a return of capital from TBC of US\$68.3 million (S\$104.1 million) which was distributed to MIIF as a result of the refinancing of TBC's debt facilities shortly after MIIF's acquisition of its interest in TBC

¹⁶ Figures shown are results published for the year ended 31 December 2007

¹⁷ Penetration rate is calculated as a percentage of Basic subscribers

¹⁸ Results based on TBC management accounts and compared on a like-for-like basis. Converted at the 31 December 2007 exchange rate of S\$1:NT\$22.5234. Source: Bloomberg. Numbers are subject to rounding

¹⁹ ARPU includes subscription revenue and other revenue from installation, advertising and channel leasing

Unaudited Financial Results

For the quarter ended 31 March 2008

Outlook

- TBC will remain focused on delivering positive momentum across the business. Management remains committed to increasing the penetration of the value added services of broadband internet and premium digital television through enhanced product offerings and superior customer service, whilst continuing to deliver solid growth of its cable television business.

Macquarie European Infrastructure Fund (MEIF)

Date of initial acquisition	14 July 2005
Cost of acquisition	S\$194.8 million
Valuation ⁴	S\$367.1 million
MIIF ownership	6.3% interest
% of MIIF portfolio	23.0%

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

- Thames Water completed the regulatory year in March with its best-ever drinking water quality performance and had successfully achieved regulatory targets for leakage and security of water supply. In the quarter, the business issued £400 million of bonds under the securitisation programme.
- The Board of Brussels Airport has announced plans to build a dedicated low-cost terminal which will be able to accommodate up to 15 aircraft at any one time. Phase 1 of the project will provide 6 additional gates, requiring €21.5 million of capital expenditure and is expected to be completed by April 2009.
- Wales & West Utilities completed the March financial year with EBITDA 75% ahead of the prior year, due to increased transportation revenue and effective cost controls.

Outlook

MEIF distributed €65 million to its investors on 24 April 2008. This followed distributions received from Bristol Airport, Thames Water, A-Train, APRR and MEIF Renewables companies. MEIF's prior distribution was €65 million on 26 October 2007. MEIF is anticipated to make its next distribution to investors in the quarter to 31 December 2008, generated by further portfolio distribution proceeds.

Unaudited Financial Results

For the quarter ended 31 March 2008

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, we, the undersigned hereby confirm to the best of our 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 31 March 2008 to be false or misleading.

On behalf of the Board of Directors



John Stuart Hugh Roberts
Chairman
Sydney



Heng Chiang Meng
Deputy Chairman
Singapore