



# **Macquarie International Infrastructure Fund Limited**

## **SGX Quarterly Report for the period ended 31 March 2007**

Macquarie Infrastructure Management (Asia) Pty Limited (Manager of Macquarie International Infrastructure Fund Limited ("the Fund")) is a wholly owned subsidiary of Macquarie Bank Limited.

Investments in Macquarie International Infrastructure Fund Limited are not deposits with or other liabilities of Macquarie Bank Limited, or any entity in the Macquarie Bank Group and are subject to investment risk, including possible delays in repayment and loss of income and capital invested. Neither Macquarie Infrastructure Management (Asia) Pty Limited, nor any member of the Macquarie Bank Group guarantees the performance of the Fund, the repayment of capital or the payment of a particular rate of return on the securities of the Fund.

This report is not an offer or invitation for subscription or purchase, or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making an investment in Macquarie International Infrastructure Fund Limited, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

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.

## Table of Contents

<b>Review of Macquarie International Infrastructure Fund Limited Performance</b> .....	<b>1</b>
Comparison of Current Period Results to Prior Period Results .....	1
Income Statement Analysis .....	1
Analysis of MIIF's Balance Sheet .....	5
Analysis of Borrowings .....	7
Analysis of Cash Flows.....	7
Investment Portfolio Analysis .....	8
Competitive Industry Conditions .....	11
Dividends.....	12
Accounting Policies Application .....	12
Changes in Share Capital .....	12
Interested Person Transactions .....	12
Subsequent Events .....	13
<b>Consolidated Income Statement</b> .....	<b>14</b>
<b>Balance Sheet</b> .....	<b>15</b>
<b>Statement of Cash Flows</b> .....	<b>16</b>
<b>Consolidated Statement of Changes in Shareholders' Equity</b> .....	<b>17</b>
<b>Statement of Changes in Shareholders' Equity of the Company</b> .....	<b>18</b>
<b>Net Asset Value</b> .....	<b>19</b>
<b>Earnings Per Share</b> .....	<b>20</b>
<b>Borrowings</b> .....	<b>21</b>
<b>Confirmation of the Board pursuant to Rule 705(4) of the Listing Manual</b> .....	<b>22</b>

## Review of Macquarie International Infrastructure Fund Limited Performance

### Comparison of Current Period Results to Prior Period Results

The portfolio of investments of Macquarie International Infrastructure Fund Limited ("MIIF" or the "Company"), and its subsidiaries (collectively referred to as the "Group") has performed in line with internal forecasts and has paid distributions consistent with forecast. In January, MIIF reached financial close for the sale of its interest in Novera Macquarie Renewable Energy ("NMRE") and used the sales proceeds to reduce its drawn balance on its debt facilities. The total undrawn debt facilities as at 31 March 2007 is \$471.3 million.

Dividends of 4.00 cents per share declared for the 6 months to 31 December 2006 were paid on 30 March 2007. For the quarter ended 31 March 2007, no dividends have been declared (31 March 2006: Nil). However, given the demonstrated ability of the assets within the portfolio to generate stable and predictable cash flows, MIIF's dividend payout is expected to be sustainable and to grow over time.

### INCOME STATEMENT ANALYSIS

The following table compares the unaudited actual results for the quarter ended 31 March 2007 to the quarter ended 31 March 2006.

	Quarter ended 31 Mar 07 Unaudited \$'000	Quarter ended 31 Mar 06 Unaudited \$'000
<b>Revenue</b>		
Distribution income	518	485
Investment income	9,086	9,177
Interest income	555	469
Net foreign exchange gain	191	555
<b>Total investment revenue</b>	<b>10,350</b>	<b>10,686</b>
<b>Expenses</b>		
Management fees	3,194	3,083
Directors' fees	57	60
Finance costs	647	70
Other operating expenses	1,814	1,582
<b>Total operating expenses</b>	<b>5,712</b>	<b>4,795</b>
<b>Net income on an adjusted basis</b>	<b>4,638</b>	<b>5,891</b>
<b>Amounts not included in the above analysis</b>		
Net gain on the movement in the fair value of MIIF's financial assets	69,793	(2,986)
Transaction costs & performance fees	-	-
Other costs	-	-
<b>Net income on an unconsolidated basis</b>	<b>74,431</b>	<b>2,905</b>
Consolidation adjustments to net income	(24,549)	8,193
<b>Net income on a consolidated basis</b>	<b>49,882</b>	<b>11,098</b>

Unless otherwise stated, all amounts are in Singapore Dollars.

# Unaudited Financial Report

For the quarter ended 31 March 2007

## Comparison of Current Period Results to Prior Period Results (continued)

### INCOME STATEMENT ANALYSIS

#### Review of net income

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

Net income on an adjusted basis is \$4.6 million for the 31 March 2007 quarter end, and is 21% lower on a quarter by quarter basis when compared to the corresponding results in 2006. This is mainly attributable to the higher finance cost relating to the borrowings incurred in the last quarter in order to fund MIIF's additional investment in MEIF.

- Reconciliation of net income on an adjusted basis to the consolidated income statement  
The income statement disclosed on page 1 of this report, and specifically the line entitled "Net income on an adjusted basis", has been prepared so as to present the earnings of MIIF out of which MIIF dividends will be paid. The income statement on page 1 has not been prepared in accordance with applicable accounting standards. The consolidated income statement on page 14 has been prepared in accordance with all applicable accounting standards. The table below reconciles the 31 March 2007 quarter end income statement disclosed on page 1 of this report to the 31 March 2007 quarter end consolidated income statement disclosed on page 14.

	Adjusted Net Income <sup>(1)</sup> Quarter ended 31 Mar 07 \$'000	GAAP Adjustments <sup>(2)</sup> Quarter ended 31 Mar 07 \$'000	TanQuid <sup>(3)</sup> Quarter ended 31 Mar 07 \$'000	Consolidation Adjustments <sup>(4)</sup> Quarter ended 31 Mar 07 \$'000	MIIF Group <sup>(5)</sup> Quarter ended 31 Mar 07 \$'000
<b>Income</b>					
Distribution income	518	(518)	-	-	-
Investment income	9,086	(9,086)	-	-	-
Storage revenue	-	-	29,628	-	29,628
Interest revenue	555	-	112	-	667
Net foreign exchange gain	191	-	-	3,898	4,089
Net gain on financial assets at fair value through profit or loss	-	69,793	279	(20,256)	49,816
<b>Total income</b>	<b>10,350</b>	<b>60,189</b>	<b>30,019</b>	<b>(16,358)</b>	<b>84,200</b>
<b>Expenses</b>					
Management fees	3,194	-	-	-	3,194
Directors' fees	57	-	-	-	57
Finance costs	647	-	4,155	882	5,684
Other operating expenses	1,814	-	16,373	7,196	25,383
<b>Total expenses</b>	<b>5,712</b>	<b>-</b>	<b>20,528</b>	<b>8,078</b>	<b>34,318</b>
<b>Profit before income tax</b>	<b>4,638</b>	<b>60,189</b>	<b>9,491</b>	<b>(24,436)</b>	<b>49,882</b>
Income tax expense	-	-	-	-	-
<b>Profit after income tax</b>	<b>4,638</b>	<b>60,189</b>	<b>9,491</b>	<b>(24,436)</b>	<b>49,882</b>

(1) This is Adjusted Net Income as presented on page 1 of this report.

(2) These are the adjustments that must be made to Adjusted Net Income to arrive at Unconsolidated Net Income prepared in accordance with all applicable accounting standards.

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

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

(5) This is the Consolidated Net Income of the MIIF Group as disclosed on page 14 of this report.

# Unaudited Financial Report

For the quarter ended 31 March 2007

## Comparison of Current Period Results to Prior Period Results (continued)

### INCOME STATEMENT ANALYSIS

#### Review of distribution and investment income

Distribution and investment income for the 31 March 2007 quarter end was in aggregate \$9.6 million, compared to \$9.7 million for the 31 March 2006 quarter end. This is reflective of the stable and predictable cash flows that MIIF's investments generate.

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

<b>Investment</b>	<b>Quarter ended 31 Mar 07 \$'000</b>	<b>Quarter ended 31 Mar 06 \$'000</b>
<b>Distribution income</b>		
MAp	-	-
MCG	-	-
DUET	-	-
MIC	518	485
<b>Total distribution income</b>	<b>518</b>	<b>485</b>
<b>Investment income*</b>		
Canadian Aged Care	1,385	4,461
Brussels Airport	-	3,353
Arqiva	-	-
TanQuid	7,701	1,363
NMRE	-	-
MEIF	-	-
CXP	-	-
<b>Total investment income</b>	<b>9,086</b>	<b>9,177</b>
<b>Total distribution and investment income</b>	<b>9,604</b>	<b>9,662</b>

The distribution policy of each of MIIF's investments is to distribute all net cash flow generated from operations, reduced for debt servicing costs and minor maintenance capital expenditure, subject to prudent reserves. We expect the operational performance of each of MIIF's investments to continue to grow as a result of increased patronage, pricing, asset base growth and cost savings, in turn generating greater net cash flow from operations, and ultimately increased cash flow to investors, including MIIF. This is reflective of the stable and predictable cash flows that such infrastructure assets generate.

Distribution income represents the equity distributions that MIIF has received from its listed investments, being MAp, MCG, DUET and MIC. MAp, MCG and DUET are listed on the Australian Stock Exchange. MIC is listed on the New York Stock Exchange. MAp, MCG and DUET declare distributions payable to their security holders at the end of each six month period ending June and December. MIC declares distributions payable to its security holders at the end of each calendar quarter.

Investment income represents distributions declared by MIIF's unlisted investments, including MEIF, Arqiva, Brussels Airport, Canadian Aged Care, TanQuid and CXP. MEIF declares distributions payable to its investors during the September and March quarters. Brussels Airport declares an interim and a preliminary year end distribution payable to its investors during the September and March quarters respectively. Brussels Airport declares a final year end distribution payable to its investors during the June quarter. Arqiva declares and pays distributions to its investors three times per year during the June, September and December quarters. Canadian Aged Care declares distributions payable to its investors at the end of each month. TanQuid declares interim distributions payable to its investors at the end of the June and December quarters, with a final dividend for the year just ended declared and paid during the March quarter. CXP declares an annual distribution payable to its investors during the March quarter.

\* Per our accounting policies, investment income includes equity distributions, interest and loan repayments

# Unaudited Financial Report

For the quarter ended 31 March 2007

## Comparison of Current Period Results to Prior Period Results (continued)

### INCOME STATEMENT ANALYSIS

In the consolidated income statement on page 14, distribution and investment income are shown as part of "Net gain on financial assets at fair value through profit or loss" in accordance with our accounting policies and International Financial Reporting Standards.

#### Review of expenses

Expenses incurred are \$5.7 million for the 31 March 2007 quarter. Expenses for the current period are higher than the expenses reported for the prior year corresponding period because of higher finance cost and other operating expenses. Finance costs are higher in the current period as compared to the prior year corresponding period due to the level of borrowings during the period, which have been subsequently repaid.

#### Review of other income and expense items (presented in the income statement disclosed on page 1)

- **Interest income**  
MIIF invests excess cash on hand into cash based securities such as commercial paper and non-negotiable certificates of deposit. These instruments generate a return to MIIF of between 3% and 5% per annum. The interest income reported for the current periods has been generated by MIIF's excess cash on hand.
- **Net foreign exchange gain**  
Several of MIIF's non-investment balances are denominated in a currency other than Singapore dollars. These balances include cash on hand, expenses payable and revenue receivable. As exchange rates move, the value of these balances changes accordingly. The foreign exchange gain recognised for the current period is due to the favourable impact of changing foreign exchange rates on these non-investment balances.
- **Directors' fees**  
The MIIF Board of Directors comprise of four members, three of whom are independent of the Macquarie Bank Group. Each of the independent directors is entitled to receive an annual director's fee of US\$50,000. The MIIF Board member who is an executive of the Macquarie Bank Group, is not entitled to be paid a directors fee from MIIF.
- **Other operating expenses**  
Other operating expenses comprise items of expenditure necessarily incurred by MIIF as part of its day to day operations. This includes fees paid to the share registrar, SGX-ST listing and administration fees, general legal fees, audit fees and other consulting based fees.
- **Net gain on the movement in the fair value of MIIF's financial assets**  
The net gain on the movement in the fair value of MIIF's financial assets of \$69.8 million for the current period represents the change in the fair value of these assets during the current period. These gains do not represent cash inflows, and are recognised in our Income Statement because it is required under our accounting policies and applicable International Financial Reporting Standards.

Overall, MIIF's investments have increased in value in response to strong operational performance observed within the assets which have resulted from various initiatives, including those introduced under MIIF's active asset management approach. Other opportunities may arise within certain of MIIF's assets that create even further value such as new contracts entered into, or capital management opportunities. This in turn may increase the value of these assets.

During the 31 March 2007 quarter, the value of MIIF's listed investments increased by \$ 34.5 million. The equity interest held by MIIF in these entities provides MIIF with exposure to the quality infrastructure assets owned by these entities. This adds a further layer of diversification to the MIIF portfolio, and also contributes to the stability and reliability of the cash flows generated by the MIIF portfolio.

The net gain on financial assets at fair value as shown in the Income Statement on page 1 differs from the net gain on financial assets at fair value as shown on page 14 of this report due to the required treatment of distributions as set out in MIIF's accounting policies.

# Unaudited Financial Report

For the quarter ended 31 March 2007

## Comparison of Current Period Results to Prior Period Results (continued)

### ANALYSIS OF MIIF'S BALANCE SHEET

#### Review of net assets

Overall, MIIF's stand alone net assets have increased from \$1,399.2 million as at 31 December 2006 to \$1,412.8 million as at 31 March 2007. This is due to the lower level of borrowings during the quarter compared to the preceding period. This represents a Net Asset Value ("NAV") of \$1.10 per share.

Group net assets have remained stable at \$1,373.1 million as at 31 March 2007 as compared to \$1,374.3 million as at 31 December 2006 despite the sale of NMRE. This is primarily due to the net asset movement within the stand alone company as noted above.

#### Review of trade and other receivables

Stand alone trade and other receivables have decreased from \$22.5 million as at 31 December 2006 to \$8.6 million as at 31 March 2007. The majority of this balance comprises dividend receivables from MIIF's investments. At 31 December 2006 MIIF had balances receivable from DUET, MAp, MCG, Canadian Aged Care and TanQuid and at 31 March 2007 MIIF had balances owing from MIC and TanQuid. The distribution receivable from TanQuid is for a special distribution relating to the Petroplus acquisition. This dividend was declared as payable by TanQuid prior to the end of the period, and has accordingly been recognised as part of the 31 March 2007 results.

Group trade and other receivables have decreased from \$43.9 million as at 31 December 2006 to \$31.5 million as at 31 March 2007. Trade and other receivables have decreased mainly due to the decrease within the stand alone company as discussed above.

#### Review of current financial assets held at their fair value

Stand alone current financial assets held at their fair value have decreased from \$1.7 million as at 31 December 2006 to \$1.3 million at 31 March 2007. This balance reflects the fair value of the foreign currency forward contracts that MIIF has entered into to hedge the forecast distributions that it expects to receive from its investments for a period of at least 12 months looking forward. The decrease in the value of these foreign currency forward contracts reflects the general weakening in the Singapore dollar against some of the currencies to which MIIF is exposed, primarily the Australian Dollar.

Group current financial assets held at their fair value have remained stable at \$4.6 million as at 31 March 2007. The difference between the group and stand alone balance relates to the fair value of the interest rate swaps that TanQuid has entered into to hedge its exposure to floating interest rates that arises as a result of the floating rate borrowings that it is party to.

#### Review of property, plant and equipment and Intangible assets

Property, plant and equipment of \$375.2 million relate to the tank storage facilities in Germany and other property, plant and equipment owned by TanQuid. The TanQuid balance sheet also contains intangible assets consisting of software packages. Decrease in property, plant and equipment is due to depreciation for the quarter.

#### Review of non-current financial assets held at their fair value

Stand alone non-current financial assets held at their fair value have increased from \$1,334.8 million as at 31 December 2006 to \$1,421.9 million as at 31 March 2007. This balance reflects the fair value of all of MIIF investments as at 31 March 2007. The increase is due to a number of factors including:

- Overall increase in the value of MIIF's investments;
- Additional investment by MIIF into MEIF in response to MEIF's acquisition of Bristol Airport and CLP Envirogas

# Unaudited Financial Report

For the quarter ended 31 March 2007

## Comparison of Current Period Results to Prior Period Results (continued)

### Review of non-current financial assets held at their fair value (continued)

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

	Parent Balance at 31 Dec 06 \$'000	Additional investment \$'000	Income received from investments \$'000	Foreign exchange effects \$'000	Revaluation to 31 Mar 07 \$'000	Parent Balance at 31 Mar 07 \$'000
<b>Listed securities</b>						
MAp	154,539	-	-	2,326	16,932	<b>173,797</b>
MCG	143,213	-	-	1,895	5,745	<b>150,853</b>
DUET	61,956	-	-	1,049	7,855	<b>70,860</b>
MIC	32,605	-	(518)	(380)	4,016	<b>35,723</b>
	<b>392,313</b>	<b>-</b>	<b>(518)</b>	<b>4,890</b>	<b>34,548</b>	<b>431,233</b>
<b>Unlisted securities</b>						
Arqiva	228,635	-	-	(1,412)	9,740	<b>236,963</b>
MEIF	219,071	26,430	-	481	12,072	<b>258,054</b>
Canadian Aged Care	147,989	-	(1,385)	(291)	1,420	<b>147,733</b>
TanQuid	122,929	-	(7,701)	158	10,117	<b>125,503</b>
CXP	120,598	-	-	-	1,420	<b>122,018</b>
Brussels Airport	103,247	-	-	133	(3,090)	<b>100,290</b>
Other	60	-	-	-	-	<b>60</b>
	<b>942,529</b>	<b>26,430</b>	<b>(9,086)</b>	<b>(931)</b>	<b>31,679</b>	<b>990,621</b>
<b>Total investments</b>	<b>1,334,842</b>	<b>26,430</b>	<b>(9,604)</b>	<b>3,959</b>	<b>66,227</b>	<b>1,421,854</b>

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

Group non-current financial assets held at their fair value have increased from \$1,218.3 million as at 31 December 2006 to \$1,296.5 million as at 31 March 2007. This balance continues to reflect the fair value of all of MIIF investments, except the fair value of MIIF's investment into TanQuid, which is replaced with the assets and liabilities of the TanQuid business in the Group balance sheet.

### Review of goodwill

Goodwill of \$33.9 million relates to the acquisition of TanQuid and Petroplus and represents the excess of the amount paid over the fair value of the net identifiable assets as at the date of acquisition.

MIIF is in the process of finalising the detailed fair value assessment of the assets and liabilities acquired as part of the Petroplus acquisition, and in accordance with IFRS 3, this assessment will be completed within twelve months from the date of acquisition. A preliminary assessment has resulted in a decrease of EUR14 million (\$28 million) to the goodwill originally recognised on the acquisition of Petroplus. All relevant balances have been restated in order to account for this adjustment.

# Unaudited Financial Report

For the quarter ended 31 March 2007

## Comparison of Current Period Results to Prior Period Results (continued)

### Review of trade and other payables

Stand alone trade and other payables decreased from \$3.5 million as at 31 December 2006 to \$3.4 million at 31 March 2007. Included in the \$3.4 million is \$3.2 million which represents the management fees that are payable to MIIF's manager, Macquarie Infrastructure Management (Asia) Pty Limited for the quarter ended 31 March 2007.

Group trade and other payables mainly relate to trade and other creditors payable by TanQuid. The TanQuid liabilities account for \$48.2 million of the reported balance at 31 March 2007, and represent liabilities for lease rentals and other minor trade creditors. The balance has increased by \$5.3 million during the quarter, because of numbers contributed by Petroplus.

### Review of borrowings

Stand alone borrowings have decreased from \$89.5 million as at 31 December 2006 to \$26.7 million as at 31 March 2007. This reduction is due to the fact that MIIF has utilised the sales proceeds from its divestment of NMRE to reduce its drawn balance on debt facilities in the current quarter.

Group borrowings have decreased from \$379.6 million as at 31 December 2006 to \$315.7 million as at 31 March 2007. The movement is due to the decrease in borrowings within the stand alone company of \$62.8 million. The remainder of the borrowings relate to the borrowings of TanQuid.

Further details regarding MIIF's borrowings are provided below.

### Review of provisions

Provisions of \$8.6 million arise only on consolidation of TanQuid, and relate to storage site rehabilitation obligations of TanQuid. The remaining balance relates to the deferred consideration provision of CXP of \$6.2 million.

### Review of deferred income tax liabilities

Deferred tax liabilities of \$15.6 million arise on consolidation and relate to TanQuid only.

## ANALYSIS OF BORROWINGS

As at 31 March 2007, Group total borrowings were \$315.7 million. Further details regarding the level of borrowings are set out on page 21 of this report. Borrowings of \$288.9 million have been recognised on the consolidation of TanQuid. The funds relating to these borrowings were used to fund the acquisition of TanQuid and Petroplus, which are non-recourse to MIIF.

During the quarter, proceeds from the sale of NMRE were used to repay the draw down relating to MEIF's commitment draw down notices in May and December 2006. This served to decrease the quantum of MIIF's non-current liabilities between 31 December 2006 and 31 March 2007.

## ANALYSIS OF CASH FLOWS

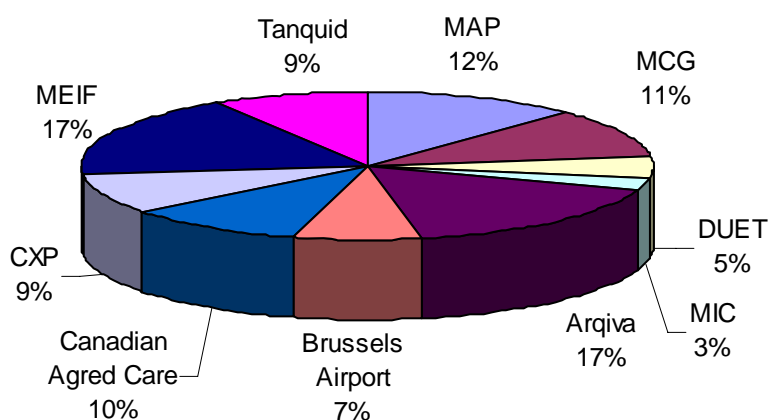
MIIF had net operating cash outflows of \$12.3 million during the period from 1 January 2007 to 31 March 2007 mainly due to the timing of distributions. The cash proceeds received from distributions received this quarter, together with the beginning cash balance, has been used to pay the dividend declared for the 6 month period ended 31 December 2006.

## Investment Portfolio Analysis

MIIF's investment portfolio consists of a diverse range of infrastructure assets, spread across 11 countries and 7 infrastructure sectors. This mix of infrastructure sector exposure and country exposure result in a uniquely diversified infrastructure investment portfolio that provides many yield enhancing benefits of this portfolio mix.

The following chart shows the contributions that the various investments make to MIIF's overall portfolio. MIIF has a portfolio with an acquisition cost of just under \$1.3 billion, spread across a number of stable and growing economies. MIIF has announced that it intends to actively pursue Asian investment opportunities going forward, with an overall focus on increasing the exposure of the portfolio to the Asian region.

The following chart shows the contributions that the various investments make to MIIF's overall portfolio based on the 31 March 2007 fair valuation of each asset:



The following table shows the contribution that the distributions received from each of the investments made to total distribution and investment income for the quarter ended 31 March 2007:

Securities	Distribution	Distribution
	\$'000	%
MIC	518	5.4
Canadian Aged Care	1,385	14.4
Tanquid	7,701	80.2
<b>Total</b>	<b>9,604</b>	<b>100.0</b>

MIIF's economic and legal interests in each of its assets range from as little as 2% up to 100%. An update for the quarter 1 January 2007 to 31 March 2007 on each of MIIF's investments is provided below.

## Investment Portfolio Analysis (continued)

### ■ 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.

On 19 March 2007, Arqiva was selected by SDN, a wholly owned subsidiary of ITV plc, as preferred supplier of a new high-power digital terrestrial TV ("DTT") network. Under the agreement, it is envisaged that Arqiva will design, build and then operate the digital network, which will replace the existing low-power DTT services.

MIIF has an 8.69% direct interest in Arqiva plus an additional 2.73% 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 and it handled 16.7 million passengers in 2006.

On 1 February 2007, Brussels Airport's unaudited results for the year to 31 December 2006 were announced, reporting EBITDA of €183.1 million, an increase of 12.9% over the previous corresponding period.

MIIF holds a 3.21% direct interest in Brussels Airport plus an additional 1.74% indirect interest held through its investment in Macquarie Airports, an ASX listed group, and its investment in Macquarie European Infrastructure Fund.

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

MEIF is an unlisted investment fund with investments in infrastructure and related assets in European OECD countries. MIIF has committed to invest a further €7.7 million, to be drawn at the discretion of MEIF, to fund future acquisitions made by MEIF.

On 22 February 2007 MEIF acquired 100.0% of CLP Holdings, the owner of 24 UK Landfill Gas power generating facilities located across the UK which total approximately 70MW from US Corporation Ridgewood Renewable Power LLC, four Ridgewood controlled investment funds, and Arbutus Energy Ltd for a consideration of £38m.

MIIF has invested €87.3 million (\$177.0 million) since acquisition and holds a 6.32% interest in MEIF.

### ■ 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 117 million passengers in 2006.

On 20 March 2007, MAp announced the completion of the acquisition of an additional 15.1% stake in Sydney Airport for a purchase price of A\$663 million. MAp exercised its call option over Ferrovial Infraestructuras S.A.'s 20.9% interest in Sydney Airport on 27 February 2007.

During the period, MAp paid distributions of A\$0.25 per security for the 12 months to 31 December 2006 and issued preliminary distribution guidance of A\$0.26 per security for 2007.

MIIF holds a 2.10% direct interest in MAp by way of a total return swap with a Macquarie Bank Group member.

### ■ Macquarie Communications Infrastructure Group ("MCG")

MCG holds controlling interests in communications infrastructure located in Australia and the United Kingdom. MCG owns 100% of Broadcast Australia ("BA"), a broadcast and transmissions business in Australia that owns and operates the most extensive broadcast transmission infrastructure network in Australia. MCG also has a 58.3% controlling interest in Arqiva (formerly ntl Broadcast).

On 23 February 2007, MCG announced that SBS Corporation has received government funding approval and has awarded the contract for new digital transmission services (and downlink services where applicable) to 70 new service areas to BA. The new contract is for a 15 year term and is expected to add A\$6.1 million in annual revenue to BA's revenue profile once all services are operational.

MIIF has a 4.68% direct interest in MCG by way of a total return swap with a Macquarie Bank Group member.

## Investment Portfolio Analysis (continued)

### ■ DUET Group (“DUET”)

DUET is an ASX listed owner of energy utility assets in OECD countries managed jointly by AMP and Macquarie Bank. DUET owns a diverse portfolio of energy utility assets, with interests in gas pipelines and distribution networks in Western Australia, electricity and gas distribution networks in Victoria and an interest in an electricity transmission and distribution network in North America.

On 21 February 2007, the Dampier to Bunbury Natural Gas Pipeline (“DBNGP”) held the official opening of the A\$430 million Stage 4 expansion. Construction of the Stage 4 expansion was completed in December 2006 and increased the pipeline’s capacity by more than 100 terajoules (“TJ”) per day. The DBNGP stage 5A expansion, which commenced construction in December 2006, is an A\$700 million investment which will add a further 100 TJ per day of gas transmission capacity. The stage 5A expansion is expected to deliver first gas by early 2008 and to be completed by the end of 2008.

During the period, DUET paid an interim distribution of A\$0.1225 per security and has upgraded its distribution guidance for FY2007 by A\$0.1250, bringing full year distribution guidance to A\$0.2475 per security.

MIF has a 3.54% direct interest in DUET by way of a total return swap with a Macquarie Bank Group member.

### ■ Macquarie Infrastructure Company Trust (“MIC”)

MIC is listed on the NYSE. MIC is focused on owning and operating infrastructure businesses in the United States. Following the sale of investments in three non-US businesses in the second half of 2006, MIC owns/has invested in five businesses, all in the US.

During the period, MIC’s board of directors approved the payment of a distribution to shareholders of US\$0.57 per share for the fourth quarter of 2006. The US\$0.57 per share distribution represents a 14% increase (annualised) over the US\$0.50 per share paid for the fourth quarter of 2005.

MIF has a 1.59% 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, one retirement home and one Independent Living facility in Ontario, Canada. Canadian Aged Care is the third largest operator of LTC facilities in Ontario. The investment in Canadian Aged Care was acquired on 22 November 2005.

For the three months ending 31 March 2007, total occupancy at mature homes increased to 98.5% from 97.8% for the quarter ending 31 March 2006. Preferred occupancy at mature homes increased to 81.4% for the quarter ending 31 March 2007 from 81.0% in the quarter ending 31 March 2006.

MIF acquired a 55% economic interest in Canadian Aged Care by way of total return swaps with Macquarie Bank Group members.

### ■ 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.

In the March 2007 quarter, growth in general cargo handled was 98% over the prior corresponding period, while growth in forestry products was 34% over the previous comparable period. Overall, total conventional cargo volumes increased by 74% over the prior corresponding period.

MIF owns a 40% interest in Singapore Changshu Development Company which owns 95% of CXP, giving MIF an effective interest in CXP of 38%.

### ■ Deukalion Tanklager GmbH & Co. KG (“TanQuid”)

TanQuid is an oil and chemicals tank storage business and the largest independent provider of tank storage services in Germany with an overall capacity of almost 3 million cubic metres. The business consists of 19 tank storage sites strategically located close to major industry centres throughout Germany.

A 10 year contract has been signed with EBV, the German strategic oil storage authority to convert the facility adjacent to Stuttgart airport to Jet A I aviation fuel.

## Investment Portfolio Analysis (continued)

### ■ Deukalion Tanklager GmbH & Co. KG ("TanQuid") (continued)

MIIF acquired 100% of TanQuid on 16 November 2005. The acquisition of the storage facilities from Petroplus was completed on 31 July 2006.

## 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. Inflation has been increasing gradually over the last 6 months. Growth in the economy will remain high in 2007 even with the tightening measures introduced in 2006 to restrain credit growth and investment. For the first two months of 2007, there has been an increase in exports, retail sales and investments with no signs of slow down in economic growth. Being strategically placed in the Yangtze River Delta region, CXP is set to benefit from robust growth in global and China-related trade, which will necessitate increased water borne cargo transport.

### ■ Australia

The MIIF exposure to the market in Australia arises through its interests in MAp, MCG and DUET. In Australia, MIIF is exposed to industries such as airports, telecommunications and utilities. The underlying assets of MIIF's investments across these infrastructure classes operate in a regulated environment, with high barriers to entry and stable incomes. In 2006, over 117 million passengers used MAp's airports globally. In the telecommunications sector, further growth is mainly expected through the government backed roll-out of new technologies and soaring industrial growth in Western Australia has resulted in an increase in the size of the proposed expansion of DUET's Dampier to Bunbury Natural Gas Pipeline.

### ■ Canada

MIIF is operating in the Canadian market through its interest in Canadian Aged Care, a provider of essential social infrastructure in Ontario. The aged care industry in Ontario is highly fragmented, which offers aged care providers with many consolidation opportunities. The long term care sector in Canada is viewed to be very stable and is well positioned to benefit from the growing 80+ population, forecast to grow at four times the rate of the total Canadian population within the next five years. Natural growth will also be achieved by increasing occupancy through the ramp up of new and existing facilities.

### ■ Europe

MIIF is exposed to various infrastructure classes around Europe through direct investments in Arqiva, Brussels Airport and TanQuid. It has further exposure through its investments in MEIF, MAp and MCG. Across Europe, MIIF's exposure ranges across asset classes such as airports, telecommunications, utilities, resources storage and transport.

The underlying investments operating across these infrastructure classes operate in regulated industries with high barriers to entry. Short term changes in economic conditions have limited impact on these asset classes as they deal in the provision of essential infrastructure used daily by customers.

### ■ US

MIIF has exposure to the US infrastructure market through its investment in MIC. MIC owns an airport services business, an airport carpark business, a district energy business, a gas production and distribution business and 50% of a company that owns one of the largest bulk liquid storage terminal businesses in the US. As these assets operate under a similar environment to MIIF's assets in Europe, short term changes in economic conditions will have limited impact to the performance of these assets.

# Unaudited Financial Report

For the quarter ended 31 March 2007

## Dividends

On 30 March 2007, MIIF paid a dividend of 4.00 cents per share in relation to the six months period ended 31 December 2006. No dividends have been declared for the quarter ending 31 March 2007 (31 March 2006: Nil).

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 corporate income tax when received in Singapore by corporate shareholders. Foreign dividends received by foreign investors with no permanent establishment in Singapore are generally not subject to Singapore income tax.

Foreign dividends received by individuals in Singapore (whether resident or otherwise) are exempt from Singapore income tax.

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

MIIF is a Bermudian incorporated company, and as such 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.

It is possible that MIIF may generate accounting profits, and have carry forward accounting reserves, such as retained earnings, that are less than the dividend amounts that the Board of Directors of MIIF intend to declare and pay. Such situations may arise as a result of unrealised losses that MIIF is required to recognise due to movements in foreign exchange rates, share prices, changes in the value of MIIF's unlisted securities and other asset specific and general economic factors. These unrealised amounts do not impact the cash flow of MIIF and its ability to pay dividends now and in the future.

## 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.

## Changes in Share Capital

There were no changes in Share Capital during the quarter ended 31 March 2007.

## Interested Person Transactions

### (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
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.

# Unaudited Financial Report

For the quarter ended 31 March 2007

## Interested Person Transactions (continued)

### (b) The Manager (continued)

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

	Group Quarter ended 31 Mar 07 \$'000	Group Quarter ended 31 Mar 06 \$'000	Company Quarter ended 31 Mar 07 \$'000	Company Quarter ended 31 Mar 06 \$'000
<b>Transactions</b>				
Base management fees	3,194	3,083	3,194	3,083
Dividends paid or payable	<b>4,160</b>	3,224	<b>4,160</b>	3,224

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

	Group As at 31 Mar 07 \$'000	Group As at 31 Dec 06 \$'000	Company As at 31 Mar 07 \$'000	Company As at 31 Dec 06 \$'000
<b>Balances</b>				
Accrued base management fees	<b>3,202</b>	3,178	<b>3,202</b>	3,178
Total liabilities payable to the Manager	<b>3,202</b>	3,178	<b>3,202</b>	3,178

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

For the quarter ended 31 March 2007, the return to be attained expressed as the price per share of MIIF before the Manager participated in performance fees was \$1.11. Over the last 15 SGX trading days of the quarter ended 31 March 2007, MIIF's share price did not attain the average required level of \$1.11 and consequently no performance fees were paid.

### (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 2007.

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

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

## Subsequent Events

In April 2007, Arqiva, in which MIIF has a 8.7% stake, acquired 100% of National Grid Wireless (NGW) for £2.5billion (\$7.5billion). This acquisition is expected to reach financial close in the second quarter of 2007 and was funded by utilising MIIF's existing committed debt facilities which have terms that range from one to three years. NGW is a leading provider of broadcast transmission services and independent wireless sites and owns licences for Digital Terrestrial Television (DTT) spectrum in the United Kingdom (UK). Combined, Arqiva/NGW will be the leading broadcast transmission infrastructure and independent mobile site leasing provider in the UK and will own one-third of available DTT channels across the country.

## Consolidated Income Statement

	Group Quarter ended 31 Mar 07 \$'000	Group Quarter ended 31 Mar 06 \$'000
<b>Income</b>		
Storage revenue	29,628	15,646
Interest revenue	667	479
Net foreign exchange gain	4,089	555
Net gain on financial assets at fair value through profit or loss	49,816	13,442
<b>Total income</b>	<b>84,200</b>	<b>30,122</b>
<b>Expenses</b>		
Base management and performance fees	3,194	3,083
Transaction costs – acquisition of investments	-	-
Finance costs	5,684	2,876
Employee benefits expense	8,247	4,756
Depreciation	5,868	2,729
Professional services	725	469
Consumables	5,565	1,142
Rental expense	1,787	1,004
Directors' fees	57	60
Other operating expenses	3,191	2,829
<b>Total operating expenses</b>	<b>34,318</b>	<b>18,948</b>
<b>Profit before income tax</b>	<b>49,882</b>	<b>11,174</b>
Income tax expense	-	(76)
<b>Profit after income tax</b>	<b>49,882</b>	<b>11,098</b>
<b>Profit attributable to the equity holders of the company</b>	<b>49,882</b>	<b>11,098</b>
Basic earnings per share (cents per share)	3.90	0.87
Diluted earnings per share (cents per share)	3.90	0.87

Unaudited Financial Report  
As at 31 March 2007

## Balance Sheet

	Group As at 31 Mar 07 \$'000	Group As at 31 Dec 06 \$'000 *	Company As at 31 Mar 07 \$'000	Company As at 31 Dec 06 \$'000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	22,023	59,146	11,182	43,356
Non-current assets held for sale	-	89,760	-	89,760
Trade and other receivables	31,548	43,803	8,606	22,544
Financial assets at fair value through profit or loss	4,553	4,615	1,302	1,697
Inventory	1,072	1,068	-	-
Other assets	816	172	18	41
	60,012	198,564	21,108	157,398
<b>Non-current assets</b>				
Trade and other receivables	63	63	-	-
Property, plant and equipment	375,195	380,015	-	-
Intangible assets	5,159	5,330	-	-
Financial assets at fair value through profit or loss	1,296,511	1,218,251	1,421,854	1,334,842
Goodwill	33,923	33,892	-	-
	1,710,851	1,637,551	1,421,854	1,334,842
<b>Total assets</b>	1,770,863	1,836,115	1,442,962	1,492,240
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	51,609	46,355	3,393	3,516
Borrowings	4,929	6,460	-	-
	56,538	52,815	3,393	3,516
<b>Non-current liabilities</b>				
Provisions for other liabilities and charges	14,823	20,281	-	-
Borrowings	310,768	373,104	26,749	89,542
Financial liabilities at fair value through profit or loss	-	-	-	-
Deferred income tax liabilities	15,605	15,585	-	-
	341,196	408,970	26,749	89,542
<b>Total liabilities</b>	397,734	461,785	30,142	93,058
<b>Net assets</b>	1,373,129	1,374,330	1,412,820	1,399,182
<b>Equity</b>				
Share capital	1,231,573	1,231,573	1,231,573	1,231,573
Foreign currency translation reserve	(300)	(406)	-	-
Retained earnings	141,856	143,163	181,247	167,609
<b>Total equity</b>	1,373,129	1,374,330	1,412,820	1,399,182

\*Balances have been restated following the completion of the purchase price allocation in relation to the acquisition of TanQuid in November 2005

## Statement of Cash Flows

	Group Quarter ended 31 Mar 07 \$'000	Group Quarter ended 31 Mar 06 \$'000 *
<b>Cash flows from operating activities</b>		
Profit after tax	49,882	11,098
Adjustments for non cash items:		
Depreciation	6,047	2,729
Unrealised foreign exchange gains	(4,089)	(555)
Revaluation of financial assets at fair value through profit or loss	(74,109)	(5,144)
Effect of exchange rate movements on operating assets and liabilities	(1,432)	-
Other non cash items		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	12,254	22,826
(Increase) in inventory	(4)	(7)
Increase/(decrease) in trade and other payables	5,225	(3,644)
(Decrease)/increase in provisions for other liabilities and charges	(5,458)	(2,172)
(Increase)/decrease in other assets	(644)	35
Decrease/(increase) in the provision for deferred income tax liabilities	-	(9)
<b>Net cash (outflow) / inflow from operating activities</b>	<b>(12,328)</b>	<b>25,190</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investment	89,760	-
Purchase of financial asset at fair value through profit or loss	-	-
Purchase of business assets net of cash required	-	-
Purchase of property, plant and equipment	(614)	(165)
Proceeds from financial assets		-
<b>Net cash outflow from investing activities</b>	<b>89,146</b>	<b>(165)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	-	
Capital raising costs paid	-	
Proceeds from borrowings	-	2,090
Repayment of borrowings	(62,701)	(914)
Dividends paid	(51,187)	(39,670)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(113,888)</b>	<b>(38,554)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(37,070)</b>	<b>(13,529)</b>
Cash and cash equivalents at beginning of period	59,146	51,942
Effects of exchange rate changes on cash and cash equivalents	(53)	411
<b>Cash and cash equivalents at end of period</b>	<b>22,023</b>	<b>38,824</b>

## Consolidated Statement of Changes in Shareholders' Equity

	Quarter ended 31 Mar 07 \$'000	Quarter ended 31 Mar 06 \$'000
<b>Total equity at the beginning of the period</b>	<b>1,374,330</b>	<b>1,261,261</b>
Foreign currency translation reserve recognised directly in equity	104	(2,482)
Profit/(loss) after tax for the period	49,882	11,098
<b>Total recognised gains/(losses) for the period</b>	<b>49,882</b>	<b>8,616</b>
Capital raising costs		34
Dividends paid	(51,187)	(39,670)
<b>Total equity at the end of the period</b>	<b>1,373,129</b>	<b>1,230,241</b>

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

	Quarter ended 31 Mar 07 \$'000	Quarter ended 31 Mar 06 \$'000
<b>Total equity at the beginning of the period</b>	<b>1,399,182</b>	<b>1,260,788</b>
Profit after tax for the period	64,825	2,905
<b>Total recognised gains for the period</b>	<b>64,825</b>	<b>2,905</b>
Capital raising costs		34
Dividends paid	(51,187)	(39,670)
<b>Total equity at the end of the period</b>	<b>1,412,820</b>	<b>1,224,057</b>

Unaudited Financial Report  
As at 31 March 2007

## Net Asset Value

	<b>Group As at 31 Mar 07 \$'000</b>	Group As at 31 Dec 06 \$'000 *	<b>Company As at 31 Mar 07 \$'000</b>	Company As at 31 Dec 06 \$'000
<b>Net Asset Value</b>				
Total net asset value (\$'000)	1,373,129	<b>1,374,330</b>	1,412,820	<b>1,399,182</b>
Total number of ordinary shares on issue used in calculation of net asset value per share ('000)	1,279,687	<b>1,279,687</b>	1,279,687	<b>1,279,687</b>
Net asset value per ordinary share (\$ per share)	\$1.07	<b>\$1.07</b>	\$1.10	<b>\$1.09</b>

\*Balances have been restated following the completion of the purchase price allocation in relation to the acquisition of TanQuid in November 2005

## Earnings Per Share

	Group Quarter ended 31 Mar 07 \$'000	Group Quarter ended 31 Mar 06 \$'000 *
<b>Basic Earnings per Share</b>		
Earnings used in calculation of basic earnings per share (\$'000)	49,882	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)	3.90	0.87
<b>Diluted Earnings per Share</b>		
Diluted earnings used in calculation of diluted earnings per share (\$'000)	49,882	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)	3.90	0.87

\*Balances have been restated following the completion of the purchase price allocation in relation to the acquisition of TanQuid in November 2005

## Borrowings

	Group As at 31 Mar 07 \$'000	Group As at 31 Dec 06 \$'000 *
Amount repayable in one year or less, or on demand	4,929	6,460
Amount repayable after one year	310,768	373,104
<b>Total borrowings</b>	<b>315,697</b>	<b>379,564</b>
Amount secured	315,697	379,564
<b>Total borrowings</b>	<b>315,697</b>	<b>379,564</b>

\*Balances have been restated following the completion of the purchase price allocation in relation to the acquisition of TanQuid in November 2005

The borrowings disclosed above include borrowings of TanQuid 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 TanQuid back to the lender. These arrangements exist only with respect to the borrowings of TanQuid. TanQuid borrowings are secured over the assets within the TanQuid business, are non-recourse to MIIF.

Borrowings of MIIF, which are \$26.7 million at 31 March 2007, are generally repayable after one year. The total undrawn facilities as at 31 March 2007 is \$471.3 million.

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

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

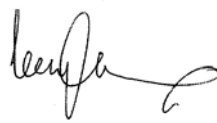
On behalf of the Board of Directors of Macquarie International Infrastructure Fund Limited, I, the undersigned hereby confirm to the best of my knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the quarter ended 31 March 2007 to be false or misleading.

On behalf of the Board of Directors



---

**John Stuart Hugh Roberts**  
Director  
Sydney



---

**Heng Chiang Meng**  
Director  
Singapore