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ASX RELEASE

MACQUARIE

Macquarie Infrastructure Group

MIG BOARDS DECIDE ON RESTRUCTURE PROPOSAL

The Boards of MIG have today determined that the best way to protect and enhance the value inherent in MIG is to restructure the portfolio into two separate listed entities and allocate the assets according to their maturity and risk profile.

The restructure, if approved by MIG security holders will result in:

- A standalone entity holding MIG's interests in the 407 ETR and Westlink M7 ("Mature MIG"). These high quality assets have stable capital structures and mature cash flows. It is expected that John Hughes (current MIG CEO) and Luke Oxenham (a current senior executive of MIG) will be offered the positions of Chief Executive Officer and Chief Financial Officer respectively;

- A Macquarie managed entity ("Active MIG") holding the remaining MIG assets (M6 Toll, APRR, Chicago Skyway, Indiana Toll Road, South Bay Expressway, Dulles Greenway, Warnow Tunnel and Transtoll). These assets require substantial operational and financial management to maximise value to security holders. Peter Trent (a current senior executive of MIG) and Mary Nicholson (current MIG CFO) have been offered the positions of Chief Executive Officer and Chief Financial Officer respectively; and,

- After providing adequate working capital for both entities it is estimated there will be surplus cash of $A226 million. A payment to MIG security holders of a special distribution of 10 cents per security would be made in addition to the normal interim distribution for FY2010.

Based on MIG's 30 June 2009 valuations, Mature MIG would have a portfolio valuation of $A3.64 billion and Active MIG would have a portfolio valuation of $A1.45 billion.

Mark Johnson, Chairman of MIG said, "The proposed restructure will result in the separation of MIG into two listed groups with different characteristics. The MIG Boards believe that this restructure will unlock value in MIG as it provides security holders with greater clarity around the investment profile of the two separate portfolios.

"All assets within the MIG portfolio are high quality toll roads with attractive concession agreements. This has been demonstrated by the turn around in the first quarter results with MIG's revenue and EBITDA from road assets increasing 5.1% and 5.9% respectively and the weighted average traffic increasing by 1.6%. We see the future of both investment vehicles as being very positive," Mr Johnson said.

A Memorandum of Understanding (MOU) has today been signed between MIG and Macquarie in relation to the restructure. Under the MOU it is proposed that Macquarie will facilitate the transaction and provide transitional services to Mature MIG for 12 months following the restructure. These services will include the provision of intellectual property, the transfer and first 12 months employment costs of employees, the provision of premises, IT, compliance and accounting services and other operational support and cooperation required to ensure the smooth operation of Mature MIG.

Whilst Active MIG will be substantially reduced in scale it will still require considerable operational and financial management. It is proposed that the base management fee arrangements for Active MIG be revised to 2.00% p.a. for the first $A1 billion of market capitalisation, 1.25% p.a. for the market capitalisation between $A1 billion and $A3 billion, and 1.00% p.a. above $A3 billion. The current base management fee structure of MIG is 1.25% p.a. for the first $A3 billion of Net Investment Value[1] and 1.00% p.a. above $A3 billion.

In addition, it is proposed that the basis for the calculation of the out-performance fee be revised such that the starting point will be reset to the market price upon listing of Active MIG against the S&P/ASX300 Industrials Accumulation Index.

Macquarie will be paid a fee of $A50 million for its role in doing all things necessary to implement the restructure including provision of transition services.

MIG has also retained Macquarie as financial adviser on the restructure and Macquarie will be paid a completion fee of 1% of the post restructure market capitalisation of Mature MIG.

The proposed payments to Macquarie and the proposed revisions to the management arrangements have been negotiated by the Independent Board Committees (IBCs) chaired by Paul McClintock and Rob Mulderig respectively and are subject to formal agreement. The IBCs were advised by Grant Samuel and Mallesons Stephen Jaques.

Mr Paul McClintock, Chairman of the Australian IBC said, "Development of the restructure is a complex process for which it has been crucial to navigate regulatory requirements, concession agreements, taxation consequences, shareholder agreements, debt documents and transition arrangements.

"It is our view that the proposed restructure together with the services to be provided by Macquarie represent an excellent outcome for MIG security holders. If the restructure

[1] Net Investment Value is market capitalisation plus external debt of the stapled entities plus contractual investment commitments less cash

is approved by security holders, we expect the inherent value in the portfolio to be better reflected over time," Mr McClintock said.

The MIG Boards note that further work is required to implement the restructure and further details will be provided in due course when definitive documentation has been negotiated. However, the MIG Boards have been advised that the restructure can be effected without a breach of change of control provisions of any debt facility and with respect to Mature MIG, no co-shareholder pre-emptive rights will be triggered.

The restructure proposal will be subject to various regulatory and security holder approvals. It is expected that a special general meeting will take place to consider the proposal in January/February 2010.

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